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ABSTRACT

On September 27, 1966, President Lyndon B. Johnson established the National Advisory Commission on Rural Poverty. To this commission, he delegated the responsibility of making a comprehensive study and appraisal of the current economic situations and trends in American rural life. In fulfilling this responsibility, the National Advisory Commission on Rural Poverty conducted public hearings in Tucson, Arizona; Memphis, Tennessee; and Washington, D.C. The verbatim transcript contained in this volume is a result of the 3-day public hearing in Washington, D.C., on Febraury 15-17, 1967. Two additional volumes contain the proceedings of the hearings in Tucson (RC 001 975) and Memphis (RC 001 945). All 3 volumes of hearings conducted by this commission are verbatim transcripts of the respective hearing proceedings. Based upon these public hearings and other extensive research, the commission presented a final report to President Johnson on September 27, 1967. The final report, which is contained in another volume (ED 016 543), describes the poverty in America in 1967 and recommends "the most efficient and promising means of providing opportunities for the rural population to share in America's abundance." (LS)

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RURAL POVERTY

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Hearings

Before the

NATIONAL ADVISORY COMMISSION

on

Rural Poverty

Washington, D.C.

Main Auditorium, First Floor, GSA Office Building

February 15, 16, and 17, 1967

Washington, D.C.   Issued September 1967

RC 002007

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FOREWORD

On September 27, 1966, President Lyndon B. Johnson established the National Advisory Commission on Rural Poverty. To this Commission he delegated the responsibility of making a comprehensive study and appraisal of the current economic situations and trends in American rural life. In fulfilling this responsibility the National Advisory Commission on Rural Poverty conducted public hearings in Tucson, Ariz.; Memphis, Tenn.; and Washington, D. C. The verbatim transcript contained in this volume is a result of the three days of public hearings in Washington, D. C., on February 15, 16, and 17, 1967. There are two additional volumes which contain the proceedings of the hearings in Tucson and Memphis. All three volumes of the hearings conducted by this Commission are verbatim transcripts of the respective hearing proceedings.

Based upon these public hearings and other extensive research the National Advisory Commission on Rural Poverty presented a final report to President Johnson on September 27, 1967. This final report, which is contained in another volume, describes the poverty in rural America today and recommends the most efficient and promising means of providing opportunities for the rural population to share in America's abundance.

ABBREVIATIONS USED

ADC	Aid to Dependent Children
AFL-CIO	American Federation of Labor and Congress of Industrial Organizations
AID	Agency for International Development
ARA	Area Redevelopment Administration
ASCS	Agricultural Stabilization and Conservation Service
BIA	Bureau of Indian Affairs
CAA	Community Action Agency
CAC	Community Action Council
CAP	Community Action Program
DOD	Department of Defense
EDA	Economic Development Administration
FHA	Farmers Home Administration
HEW	U.S. Department of Health, Education, and Welfare
HUD	U.S. Department of Housing and Urban Development
MDTA	Manpower Development and Training Act
MIT	Massachusetts Institute of Technology
NFWA	National Farm Workers Association
NLRA	National Labor Relations Act
NYC	Neighborhood Youth Corps
OEO	Office of Economic Opportunity
OJT	On-the-Job Training
OMDT	Office of Manpower Development and Training
PTA	Parent-Teachers Association
PWA	Public Works Administration
RAD	Rural Areas Development
RCDS	Rural Community Development Service
SBA	Small Business Administration
SCS	Soil Conservation Service
TVA	Tennessee Valley Authority
USDA	U.S. Department of Agriculture
USES	U.S. Employment Service
VISTA	Volunteers in Service to America
WPA	Works Progress Administration

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HEARINGS BEFORE THE NATIONAL ADVISORY COMMISSION ON RURAL POVERTY, WASHINGTON, D. C.

February 15, 1967

The CHAIRMAN: Ladies and gentlemen, good morning. My name is Wilson King. I am Acting Chairman today in the absence of our permanent Chairman, the Honorable Edward Breathitt, Governor of Kentucky. I would like to take this opportunity to briefly introduce the members of the Commission.

If you will permit my starting over at the far left, Dr. Jim Bonnen, of Michigan State; Mr. Roessel, of New Mexico Institute; John Woodenlegs, from Montana—everybody introduced him from Wyoming before; Mr. Connie Gay; Mrs. Kara Jackson; Oscar Laurel.

And on my far right, Doctor Davis, Mrs. Caldwell, Mr. Samora, Doctor Hutchins, Lewis Johnson, and Doctor Ford.

Briefly, if I may lay out a few guidelines, I would like to welcome you all in this hearing. It is designed to obtain testimony which would be helpful to the National Advisory Commission on Rural Poverty, and for the development of recommendations designed to improve the economic and social welfare of people living in rural areas, and those who move from rural areas to urban areas. This is the last of the three hearings that will be conducted. The first was conducted in Tucson, Ariz. The second was conducted in Memphis, Tenn., the 2d and 3d of February.

We ask those who are presenting their views today to bear in mind the Commission's responsibility concerns national policies. It is necessary that we take a broad view to fulfill this responsibility. As the presiding officer, I am required to take all necessary action to insist that proper conduct be adhered to. In that connection, you would expect to maintain the same decorum here that you would maintain in any courtroom in this State or Nation. So there will be no applauding and other demonstrations of any kind. The testimony given here will be reported verbatim.

Just a few words now on procedural guidelines. With the limited time available here today, the Commision had attempted to schedule those witnesses whose feelings on rural poverty are representative of the various significant viewpoints. Although we will not be able to receive all testimony from all parties here, we welcome your submitting written testimony and sending it to the National Advisory Commission on Rural Poverty, at 6134 I Street, NW., Room 501, Washington, D. C. Any written testimony submitted, and that testimony received from those who are appearing before us today, will receive equal consideration by the National Commission on Rural Poverty.

I am going to ask each witness as he is called to begin his testimony by stating his name and address. The person making the statement from the witness stand will not be sworn in. There will be no cross-examination. However, clarifying questions by those members of the Commission here is desired and invited, if time permits. I am sorry also that the press of time will not allow for questions from others in the audience.

Now, I believe our first witness has been graciously and kindly waiting, the Honorable Orville Freeman.

STATEMENT OF ORVILLE L. FREEMAN

Secretary **FREEMAN**: Good day, Mr. Chairman, ladies and gentlemen of the Commission:

My name is Orville Freeman. I am the United States Secretary of Agriculture. My business address is the United States Department of Agriculture, in Washington, D. C.

This Commission is holding its hearings at a particularly appropriate time. The War on Poverty has been underway on a large scale for a little over 2 years. But already the signs of war weariness—cynicism, vitriolic political attack, and apathy—can be seen in the land. The nation badly needs to rededicate itself to the elimination of poverty, and the task of building viable economies in rural America. The hearings this Commission is conducting, and the report it will write, will aid immeasurably in this rededication.

I hope that your hearings impress one indelible fact in the national consciousness. It is this: This nation is going to pay for poverty, one way or another. We have a choice, however. We can pay for the effects of poverty in endless generations of welfare payments, in increased crime and violence in the streets, and in palliative measures; or we can pay for the kind of programs which provide training for the untrained, education for the ill-educated, and work for the unemployed. We can build the environment this land needs in the process. The second alternative is not only more humane; in the long run it will cost the taxpayers less money.

The subject today is poverty in rural America, where one-third of America lives and one-half of our poverty exists. Everyone on this Commission knows it exists, but let me cite a few of the statistics, just for the record.

—Almost one in every two rural families has a cash income of under $3,000 a year.

—Nearly half the substandard housing is found in rural areas.

—In an age of the two-bath suburban home, one-fourth of all rural nonfarm families are without running water.

—Rural adults lag almost 2 years behind urban adults in years of school completed, and rural children receive one-third less medical attention than urban children.

Rural America's traditional business, agriculture, is requiring fewer and fewer people to produce more and more food; and timber and mining, two other traditional rural occupations, are experiencing the same technological displacement.

Rural America is a paradoxical place. It is dangerous to generalize. There are prosperous and poor farmers; there are progressive rural communities and there are rural slums; there are booming population centers serving rural areas, and sections of whole States and regions in decline for lack of resources or effort.

Rather than trying to cover the whole broad canvas of rural life, however, my testimony today will be confined to two general areas:

First, what the Department of Agriculture has done, and is doing, to eliminate rural poverty and build a viable economy in the countryside; and second, what more needs to be done by the nation in the future.

Organization and Administration. Before Federal programs can be effective on a local level, an organizational framework in which they can operate is necessary. Such organization already exists in urban areas; in many rural areas, it does not. Rural leadership, in many areas, has been drained off to the city, and the people needed to spark community efforts are lacking. Trained professional people are scarce; population is scattered, rather than concentrated. These are just a few of the problems encountered—and there are many more.

In an attempt to overcome these problems the Rural Area Development Committees were established in 1961 and 1962, largely binding the United States Department of Agriculture to form a leadership framework for the programs needed in rural America. These committees now exist in some form in 3,000 rural counties, functioning at varying levels of effectiveness.

A later step was establishment of interdepartmental Technical Action Panels, composed of the senior Federal technical specialists and State and local specialists in each county or multicounty area. Purposes of the TAP's was to furnish local development committees with trained, professional personnel to aid them in their development efforts, to provide a pipeline through which local people could channel development plans to the Federal level, and to closely coordinate USDA programs in each area.

These efforts to build a structure in rural America, though useful, still weren't enough. Organization and planning on a multicounty base was found to be necessary. Incidentally, in that connection I think the committee has, and I would like to have the record show the little brochure, showing the typical community development district. This is by illustration only.

This is hypothetical: I would make the point that this is happening by virtue of natural forces in most places around the United States—that grouped around are centers, towns, or cities of, say, from 10,000 to 100,000, and there is a merging based upon the normal marketing area, a kind of contiguous unit. Here people do commute. Here people do travel to and from work, and for special kinds of services and for market. That being the case, it is, I think, logical that the pooling of resources should be made around such a unit, which I think is coming about as the result of very natural forces, so that there could be some assistance to local people formalizing what actually exists informally in many, many places.

The President recommended in the last session of Congress a community development district bill which, if local people formed such a multicounty group, would have made available funds on a matching basis for planning purposes.

That legislation would have helped local communities to form multicounty development districts around a natural growth center, and would have funded the kind of planning grants and technical planning assistance common in urban areas, but lacking in rural areas. In my judgment, this legislation was extremely important in implementing rural development.

As you know, it did not pass Congress in the last session.

Next, the President, in a series of Executive orders issued last fall, also acted to streamline, clarify, and coordinate rural development efforts on the Federal level. Specifically—

The President directed Federal agencies to coordinate their boundaries, to eliminate confusion and overlap.

He directed the Secretary of Agriculture and the Director of the Budget Bureau to review all existing programs with Cabinet and other Federal officials to insure that rural areas receive an equitable share of existing Federal program benefits, and to submit proposals for administrative or legislative changes needed to obtain such equity, and

Finally, the President assigned the responsibility for cooperation in the agricultural and rural development within the Federal establishment to the Secretary of Agriculture, with a view toward better coordination and elimination of duplication.

The Rural Community Development Service of the Department of Agriculture performs coordination efforts in Washington, in addition to an "outreach" function which brings Federal programs into rural areas. One such outreach project was notifying more than 4½ million rural persons over 65 of Medicare benefits. This program, undertaken by various USDA agencies with RCDS coordination, reached the elderly poor throughout rural America, bringing them Medicare information before the deadline for signup. Field outreach functions for the Department have been assigned to the Farmers Home Administration and to the Technical Action Panels.

Let me elaborate on that just a bit, by saying there is a very small staff within the Department of Agriculture for all of the rural community developments and services. Its function is to maintain close and working liaison, and to be apprised and thoroughly understand all Federal programs in Washington reaching out to these working areas, be that HUD, HEW, whatever they are. Then, to the extent that the Department field offices—and the USDA has at least three, and sometimes four and sometimes five programs in almost every county in rural America—to the extent that we can be of service to other departments in helping with their programs to reach out to rural America where often they have not reached before, those local offices are available to try to do that.

I stated the Medicare example here. There are some others. In this fashion, we hope that we can both operate more efficiently and help these programs to reach people in rural America who too often have been overlooked before.

Now, until very recent years, the Department of Agriculture was concerned almost exclusively with agriculture and forests. That changed in 1961. Only since then a serious attempt has been made to address our personnel and programs to the broader problems of rural poverty and rural economic development, as well as carrying forward our traditional food, forestry, and agriculture mission.

In general, these new tasks have been undertaken within existing agency framework and largely with existing personnel and resources. The Department, because of the nature of agriculture, is a decentralized agency. Much of its day-to-day workings are carried out by farmer-elected committeemen in the field. Much of its research is undertaken cooperatively with the States, as is administration of its food aid programs. The extension service, as you know, is a joint Federal-State-local action arm.

In these respects the Department differs from many other Federal agencies. While such a structure has great strengths, it also presents administrative problems which differ from the traditional straight-line type of organization. It is often not enough just to direct that a new direction be taken. Getting results requires close cooperation among several layers of government, and skillful coordination.

With this background, then, I would now like to briefly discuss some of the ongoing Department programs, agency by agency, and also to point out some of the difficulties which exist. A detailed report of each agency's activities will be submitted separately, for the record.

I have that here and, with the permission of the Chairman, will submit it at my conclusion.

First, the agency of the Agricultural Stabilization and Conservation Service. This agency administers the commodity programs, which are often under criticism for not doing enough for the very small farmer. The criticism, in my opinion, is unfair. These programs are not designed as welfare programs, but rather as devices to bring supply and demand into balance and to maintain farm income for adequate-sized, commercial family farms. In this, they have succeeded rather well. Without them, according to well-documented studies, national farm income would sink to disaster levels, further exacerbating the problems of rural poverty and out-migration. The programs cannot, of themselves, sustain a farmer whose land and capital resources are inadequate, despite provisions in some individual commodity programs which do make special provisions for the small farmer. I would repeat. These programs help the small farmer, but they, in and of themselves, were not designed for and cannot, upon any conceivable basis that I can imagine, solve the problems of the small farmer and the poverty problems attendant thereto. To measure the problems in that light is, I think, not very meaningful.

ASCS programs of most direct benefit to smaller farmers include the Appalachian Stabilization and Conservation program, which has provided funds for some 7,000 needy farmers to carry out conservation practices; the Agricultural Conservation program which, in some areas, offers special cost-sharing in conservation work for poverty-line farmers; and the Cropland Adjustment program, which has allowed some older, marginal farmers to retire their land, yet remain in their farm homes.

The Farmers Home Administration, at its current rate of over $1 billion a year, today is advancing about four times as much in loans to rural Americans as it did 6 years ago. More than half of FHA's farm loans go to families living on $3,000 a year or less. The bulk of their housing loans, farm and nonfarm alike, go to low and moderate income families. In addition, FHA administers the self-help housing program, which benefits low income families, and $33 million in economic opportunity loans to low income families and cooperatives serving the poor.

The Farmers Home has also been making special efforts to reach the rural Negro. In the past fiscal year, more than 104,000 rural Negroes received some 20,800 FHA loans totaling over $50 million. This was a 30-percent increase over 1965 in the number of loans advanced to Negroes, and a 146-percent increase over 1960.

Simultaneously a concerted effort has been made for Negro representation on State and county FHA committees. When I came to Washington, no Negroes served on these committees. Today, 391 Negroes serve as regular members of FHA county and State committees.

The progress, both in civil rights and in serving the poor generally, has been substantial. We are aware that loans can't help a person with no ability to repay them. Grant authority was requested, but provision to make grants for farm and small business enterprises was dropped from the Economic Opportunity bill. The authority to make housing repair grants is on the books, but no funds have been authorized to supply the need.

The Forest Service provides projects to employ some 10,000 young people in the Neighborhood Youth Corps and in other antipoverty programs each summer. The Service also manages 47 Job Corps Conservation Centers and supervises about 7,000 corpsmen.

In Benton County, Miss., an area of high unemployment, the Forest Service is providing jobs, under the OEO's Nelson amendment, for 70 men. This is a twofold project. The men are engaged in landscaping, construction of public facilities, and conservation work in the forest, and receiving literacy training through a center in Holly Springs, a nearby town. It's a small project, but the kind that should be enlarged when more funds are available. In the first 4 months, 17 men have been placed from the project into local jobs.

The Soil Conservation Service provides technical services for farmers, rich and poor alike, but has no provisions for financing conservation work. The Service has been active in rural development, however. A study of 635 SCS-engineered watershed projects shows an estimated 20,700 new jobs were created either by new industries which located because of the projects, or by already-present industries which enlarged. Of direct benefit to the poor is SCS technical guidance or supervision for some 1,456 Neighborhood Youth Corps projects in 33 States last year.

The Extension Service, in certain States and areas, has been active in helping to organize community action programs. In addition, they have—

Worked with OEO in training and supervising professional and subprofessional workers assigned to OEO projects and MDTA projects.

Helped food stamp and commodity distribution recipients with nutrition and home management training.

Trained nonprofessional aids to work with low income families.

Local extension agents spend 38 percent of their time working with families in the under-$3,000 bracket.

Consumer and Marketing Service handles the direct food distribution, food stamp, school lunch, and school milk programs on the national level. Administration of these programs is, by law, assigned to the State and local governments. Participation is at the option of State and local officials.

Of the nation's 300 poorest counties—most of them rural—296 are in the school lunch program, 294 in the milk program, and 224 are—or soon will be—in either the commodity or the food stamp program.

On the whole—not in every single case, but on the whole—these programs have been highly successful. In the past 6 years either the stamp or commodity donation program has reached 700 new counties—245 of them in the Southeastern States alone. Some counties either refuse to, or are unable to, cooperate in the program. We are making every effort to handle these problems individually, without destroying the structure of State and local cooperation which is working successfully over most of the nation.

By law, a community can have either the stamps or direct distribution, but not both. We hope to develop a system to make stamps available to persons who cannot even afford the present $2 per person per month minimum. And finally, we are seeking greater funding for section 11 of the National School Lunch Act, which allows extra cash help to needy school districts.

This, in brief overview, is what the Department is doing, and some of the problems we are encountering. Is it enough? I don't think it is. We will have to do much more in the future than present authority and resources now allow, if we are serious about eradicating—not just alleviating—poverty in rural America.

Therefore, for the Commission's deliberation and consideration, I would like to present my views for action in two broad areas:

First, To Meet Immediate Needs.

Great numbers of the rural poor—the very old, the fatherless very young, the sick, the disabled—cannot be helped by ongoing programs keyed to training, jobs, education. They are the recipients of various forms of public assistance. Fifty-seven percent of old age assistance recipients, and about one-third of the families receiving aid to dependent children live in rural areas.

As President Johnson pointed out in his Economic Report for 1967, "Our system of public assistance is now 30 years old and has obvious faults. The standards of need set by many States are unrealistically low; benefits are further restricted by excessively stringent eligibility conditions." The President called for reforms, including raising payments to more acceptable levels and a formula permitting recipients to keep part of what they are able to earn without loss of payments.

He pointed out that some States do not meet even the minimal levels the State itself has established. In 18 States, most of them with large, low income rural populations, a family of four receives only $45 per month.

Some formula of equity for the helpless is needed for two reasons: The first, obviously, is to allow the recipients themselves to maintain a decent life. The second is that without an equitable standard between the several States, the problem of migration from States not meeting their responsibilities, to States that are meeting their responsibilities, causes excessive human, financial, and social problems for the States receiving the migrants.

The second immediate need is a healthier agricultural economy. This is basic, and I am on record enough times in recent months to obviate the need for a long discourse on this subject. Suffice it to say that in 1966, with the highest net income per farm in history, the average per capita farm income is $1,700 annually, versus $2,610 per capita for other Americans. The figures—and the need for further improvement in our commodity programs—speak for themselves.

The third is jobs. There is no shortage of willing workers in rural America, and there is no shortage of jobs they can perform with the skills they have right now. During 1962 and 1963, under the accelerated public works program (since expired) one single agency, the Forest Service, hired 9,000 men within one month's time, putting them to work on a wide variety of conservation chores which had been neglected for years.

What was true in 1963, under accelerated public works, is equally true today in Nelson amendment projects, including the one mentioned earlier, where useful work is accompanied by further training and education. A backlog of unfinished environmental improvement and conservation jobs big enough to furnish from 8 to 10 million man-years of employment exists at this very moment in rural America. The people are there. The need is there. In my best judgment this would constitute a worthwhile investment for which the taxpayers would get a very handsome return, as well as the employment opportunity in what it would mean to the rural poor of this country. That is in addition to the environmental things in conservation and forestry I referred to. For example:

30,000 rural communities lack modern water systems; 60,000 are without adequate sewer systems.

6.8 million homes are in need of major repair, and 1.6 million of these are so dilapidated they require replacement.

The national forests and private lands are in need of much more intensive conservation work than they are receiving today. Thousands of miles of fire trails need to be built, thousands of acres of reforestation are needed; highway rights-of-way and streambanks need erosion protection; thousands of new camping, picnic, and recreation sites are needed.

All of this is in rural America, and most of the projects are well within the competency of most of those presently unemployed and underemployed, if a formula to bring together the jobs and the unemployed, and the national will to do it, can be found.

This is a difficult, but not impossible task. Part of it is being done today, mainly through lending authority of the Department of Agriculture. To cite some examples, during 1967 the Department will:

1. Provide $435 million in rural housing loans for 48,000 families.
2. Help finance some 200 community recreation centers in rural areas.
3. Finance $304 million in loans and grants for construction or improvement of some 1,700 rural water and waste disposal systems.
4. Approve construction of another 63 multiple-purpose watershed projects and help another 8,500 rural landowners with income-producing recreation developments.

Let me repeat. The job can be done. Doing it is cheaper in the long run than merely treating the symptoms of poverty, and some day it will be done. Why not start now, rather than wait until another generation falls into despair?

One reason we're not doing this rural development job on the scale it should be done, is that we lack any accepted national policy in rural-urban balance.

Rural areas, relatively, are becoming depopulated; urbanized areas now comprise about 1 percent of the continental land mass and contain 70 percent of our population.

We have never seriously asked ourselves, let alone answered, questions like these:

What is a desirable maximum size and population for any one metropolitan area?

What are the real social costs in the unplanned population shift this country has been experiencing over the past several decades?

How much weight should be given rural-urban balance in the location of government facilities and awarding of contracts?

These questions go to the very heart of rural poverty and rural economic development.

Without answers to them, the rich areas will get richer; the poor areas, poorer.

Dispersal of population more widely over the continent in no sense implies a "back to the land" movement. Potential growth centers are widely dispersed throughout the nation.

As I have already pointed out, this is taking place. I am not suggesting that there is going to be a back-to-the-land movement and that everybody should continue to be a farmer. I don't think that is practical, realistic, and perhaps it is not even desirable.

Approximately two-thirds to three-fourths of our rural population lives within 50 miles, or commuting distance, of one of these potentially viable growth centers. A deliberate growth and development policy, fostered by both the public and private sector, could change for the better the prospects of scores of these growth centers, and of millions of people.

Specifics of such a program, for your consideration, might include—

1. Defense contracts exert a prime influence on regional development. A Department of Agriculture study undertaken several years ago showed that out of $28 billion expended in prime military contracts, 23 percent went to one State alone, California, and that the same State received 60 percent of the $6.3 billion DOD research and development funds during the following fiscal year.

The Department of Agriculture is in the process of exploring with other Federal agencies the whole broad question of defense and other government contracts in rural areas.

2. When new public installations—Federal, State, and local—are planned, consideration should be given to the advantages of placing some of them in rural areas rather than in large metropolitan areas. A study of this complex subject is already underway. The Commission may wish to explore it further.

This completes my prepared statement. Thank you for your attention, and I will be happy to try to answer any questions you may have.

The **CHAIRMAN**: May I compliment you on the very articulate and detailed testimony. I am sure you evoked some questions from our Commission, and with your permission I would like to call for questions, because I think the oral testimony is many times also very valuable.

Mr. Roessel?

Mr. **ROESSEL**: Mr. Secretary, in our hearings we have heard a variety of people of all walks of life who live in rural America express their concern over some of the very things you have mentioned. The fact that so much of our effort seems to go to urban areas as opposed to the need in rural areas, for example. You have raised certain questions yourself, and I have wondered if you might give us the benefit of your personal thinking as to the answer to some of these questions.

In particular, you raise the question of how much weight should be given to rural-urban balance. What would be your answer? What do you feel?

Secretary **FREEMAN**: I feel great weight should be put to it. I have said again and again it is national idiocy to pile up like ants in less and less space. In another way, I have said that the urban areas are starved for space and the rural areas are starved for opportunity. We have had no real policy on this. We have accepted it as if it were inevitable that we are going to have a migration from rural America to the big cities. I don't think it need be inevitable. I don't think it is in the national interest that it should be inevitable. I think steps should be taken to do something about it.

I want to state again: This does not mean to go back to the farm. It is perfectly clear that down the road there are going to be fewer and larger farms. The objective is not to crowd people on 40 acres with a mule in literal poverty and starvation. There are millions of people who can and should stay on their farms and supplement it with outside development, from industry, from recreation, and from development.

I can understand from the facilities existing why many, many people want to stay in rural America, and why many would return to some of these farm towns. I believe, further, it is more efficient to locate much manufacturing and industry in rural America rather than in the big cities. And many industrial leaders will and have so stated. I think that we should have a concentrated plan, a hardheaded, meaningful program that keeps people in the countryside rather than dumping them in the big cities.

Mr. ROESSEL: In the situation where the representation in terms of population are in the urban areas, how do you go about doing this? In other words, the political power rests in the cities, not in the rural areas. How do you bring this about?

Secretary FREEMAN: I think that when there is a public awareness of what is taking place—and that, I believe, is growing—I believe the very magnitude of the problems in the urban areas are dramatizing the fact that this is not the solution to all of this. I believe the fact that the President saw fit to appoint this Commission and you ladies and gentlemen are willing to give your time to this, provides an additional opportunity to dramatize this. I believe there is beginning to grow a public concern about this that can and will translate itself into a national policy.

The CHAIRMAN: Do you have another question on this subject?

Mr. GAY: Mr. Secretary, how well represented in the Department of Defense, for example, and in other agencies planning Federal developments, are we? That is, we in rural America? Do we have people who are in contact with and have some degree of muscle with the Pentagon, for example, and other places working toward dispersal of some of these contracts?

Secretary FREEMAN: In my judgment, not as much as we should nor is as much attention given to this as should be given to it. As I pointed out in the testimony, there is the beginning of this kind of a conscious policy, but it really has not developed itself into a sharp, clear policy. Obviously, in the process of operating and obtaining the material needed in the normal contracts, we face the practical necessity of going where they are and getting what can be produced efficiently where the people are.

So, this is not something that is easy to talk about. But it is a real problem to overcome. However, there is an increased consciousness of this, and I think as it goes forward the machinery to translate in more meaningful directness in this effort can be developed. It basically does not exist now.

Mr. GAY: One final observation. I hope, Mr. Secretary, that you will have a chance to read as much as possible of these hearings, because in Tucson and in Memphis we developed some very interesting testimony concerning the problem that I know you are interested, vitally interested in, and that is the representation by Negroes and the very poor whites of the South and the West in county committees such as the Farmers Home Administration, such as contacts with extension services. We heard some rather devastating testimony in a few instances that I hope you and your people in the Department can go into when this report is issued.

Secretary FREEMAN: We have already reviewed some of that testimony and we are checking each instance where there has been evidence of failures on the part of the Department. I am sure there are many where they have not reached out to people, for a variety of reasons. I want to make it clear to this Commission that it is the policy of this Department, and it is in the strongest kinds of terms, and in functions and structures from the Secretary on down, that the programs reach out and that we do not only perfunctorily make them available, but that we are addressing them to make them reach out to people who need them.

We welcome criticism that we are sure will be forthcoming, and we will do our level best to correct any situation and to follow up every individual instance.

The CHAIRMAN: Doctor Bonnen, do you have a question?

Mr. BONNEN: Yes.

Mr. Secretary, in discussing the Farmers Home loan programing, you indicated that the Department was aware that loans can't help a person with no ability to repay them and that as a consequence you were interested in grant authority to face this kind of problem. The other side of the same coin, I wonder since a very high percentage or a substantial percentage of FHA loans go to people with gross receipts of less than $3,000, if there is some danger here in encouraging a scale of farm operation that really isn't sustainable or viable in the long run?

What does FHA do to wrestle with this other side of this problem?

Secretary FREEMAN: Well, you have put your finger on a very difficult practical problem that we have been wrestling with a long time. It kind of breaks down like this. In the regulations we have worked out as we kind of went along, I expect we would say that there are maybe three different groups of people involved here, and obviously it changes over from one to the other.

First are the people we call the most difficult. These are the people who basically—physically, educationally, health, attitude, ability—really they are better off basically where they are and, certainly, rather than their being displaced somewhere. By the same token, they are never going to be perhaps in a vital economic-sized farm situation. These folks ought to get credit and assistance of any kind you can get. Maybe their income now is $1,000. If you can raise it to $2,000 or $3,000, you have made a real contribution and a real improvement. So modest loans, certainly. The OEO or farmers commodity loans, this is what we would seek for them.

Then there is another group here who are not prepared to borrow enough in order to expand enough, a group which just doesn't want to become viable farmers with enough resources to earn a decent standard of living. If he doesn't want to, and all he is doing is going from hand to mouth with a very small loan and not going anywhere—we ought to do something about it. In that case, probably the loan ought not to be made. In other words, go on to be a vital farmer, or go on to something else. We ought not to encourage him with half a loaf, which is an inadequacy.

The third group is the group that wants to move, that wishes to move in the direction of developing the viable size, that can expect to earn a decent-size living. This is the prime target for the FHA farmer. In that case, the loan would be made and all of the supervisory assistance given.

These three groups are difficult to distinguish at times. Much criticism is forthcoming from group number 2 if you don't make that loan. If you say to somebody, "We won't make you a $5,000 loan, but we can make you a $15,000 loan," he says, "I don't want a $15,000 loan. I want a $5,000 loan. I don't want to do anything different. I want to stay where I am," that fellow says, "if they are not going to give me a loan." And if we give him a $5,000 loan will he be better off? That is an awfully hard line to draw. But basically, this is the way we function.

Mr. **BONNEN**: Somewhat similarly in this connection, you have undoubtedly had to face the question, and you have indicated that they are not designed to be welfare programs. But others argue that such programs as mentioned are actually contributing to the perpetuation of poverty with these small farms.

What is your response to this sort of criticism that I have heard?

Secretary **FREEMAN**: I don't think that is a very meaningful type of criticism. What these farms do is to perform their prime function, which is possibly to be an economical and productive adequate-size family farm in the American structure, and upon which this nation depends for its wealth and well-being, and from which we feed a good part of the world.

The only answer to that type of criticism is to have an inefficient agriculture and not to have programs that get efficiency and that give a decent income to the farmers. That is where that criticism tends. I think it is totally meaningless.

To the extent that this contributes, and if it contributes—I doubt if it contributes very much to the technological and scientific forces that are making for a larger farm community—I want to make it clear to this nation that we are not intent upon becoming a nation of large corporate farms. There are fewer large family-size farms in the United States today than there were 10 years ago. I find this is not generally known. You find that a family-size farm is one and one-half farms with some outside labor. It is no larger than that. We have fewer of these larger family-size farms than we had 10 years ago. We also have many fewer very small farms. However, we had 200,000 more farms that grossed $10,000 a year. So we have added that to what we have, purely for statistical purposes, called an adequate-size family-size farm.

This is subject to all kinds of criticism and interpretations. We have to have something to work on. You say the adequate farm is something that grosses $10,000 a year and doesn't use more than so many men. We have added in the last 10 years 200,000 more in that size farm. We have fewer that are larger than that, and we have many fewer that were very much smaller than that. Fundamentally, that is a healthy development.

What we want to do and what we must do—and this is what our farm programs do—is make it possible for this adequate-size commercial-size family farm unit to earn enough to attract the capital and the know-how to do the job that American agriculture does for this country and the world. We ought not to take so

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much for granted. It is tremendously important. If we are going to have grants for the poor people, someone is going to have to pay for them, but we have to have agriculture to do the job.

If we are going to distribute $6 billion for food through the Department of Agriculture, someone has to produce it. That is what these farms do. These commercial farm programs are directed to making it possible for them to get a return on their capital, fair earnings, and to keep it; and they are not designed for those little farms. Now they help the little farms. If you say that there has been an increase, which there has, of 70 percent in the net farm income per farm in the last 6 years in the total, nationwide, now that increase on the little farms of less than $3,000 a year has probably been 20 percent, but not the 70 percent.

That isn't the fault of the program. That is because the resources available are inadequate in that respect. Our job is to get enough resources to these poor folk, so they can have an adequate-size representation. If I might say one thing, it is not to throw out the baby with the bath water, which is the process which I think basically this thoughtless criticism goes towards on these grounds. These programs do help the poor folk, although they are not designed for that purpose. We need additional programs here to really help the poor folks. I think it is terribly important that this be understood so that we know what we are talking about.

The **CHAIRMAN**: Mr. Secretary, as a farmer I am so glad that you brought to the fore that very point and discussed it in particular, the size of the farm, the size of the family farm, the corporate farm. That was very good.

Mrs. **CALDWELL**: I wonder if you have given much thought to strengthening programs for young people in rural areas? We talk about the continuation to live there, and certainly children have to grow up with the sense that this is a good place to come back to or stay. Has this been considered?

Secretary **FREEMAN**: As you know, I am sure, Mrs. Caldwell, the 4-H and the Future Farmer movements are strong and growing movements. There are some problems in a number of areas about them now, but we have been making really remarkable progress in integrated 4-H and Future Farmer operations. I think these young people, as I have observed it in places where there is an opportunity, where there are jobs, and where you have really a community that is on the go and that has some leadership and some dynamic qualities, by and large, they come back or they stay.

It is where there is nothing there that they leave, really.

Mrs. **CALDWELL**: I think that is true, but also they have to have a certain economic level to be able to participate.

Secretary **FREEMAN**: Yes.

Mrs. **CALDWELL**: And if there could be some real contributions as to how to make it possible for other youngsters to get into this type of activity, it would seem quite welcome.

Secretary **FREEMAN**: I would answer by saying it isn't enough and that it isn't successful enough yet, but we are working on it.

Mr. **SAMORA**: Mr. Secretary, what programs does your Department have for the agricultural migrant laborer?

Secretary **FREEMAN**: Our programs for the agricultural migrant laborers work mostly through the local areas. We have extensive local loan and housing programs for the migrant agricultural laborer. The same programs that are available by way of housing, self-help housing, or other loan programs are available to the migrant wherever he makes his home in the event or wherever he wishes to have them.

Mr. **SAMORA**: Could you give us any indication of what percentage of the migratory labor you reach through these programs?

Secretary **FREEMAN**: I would submit for the record an estimate on that, Mr. Samora. I don't have it with me, but I will submit it in terms of reaching them, in terms of education, welfare, and health, these kinds of programs; and also where these are programs of other departments and where we work on an outright basis with them, just any way that we can be helpful in reaching them through our local offices.

Most of the migratory worker contacts run through other departments; and of course there is direct recruiting and this runs through the Department of Labor rather than the Department of Agriculture.

Mr. **JOHNSON**: The first thing is, I want to commend your agency in Arkansas for doing a fine job all across the board. One question I want to ask you, which I think is very important to our area and in many of the Southern States. For example, the Farmers Home Administration has made over 1,400 loans to these real low income people out in the rural areas. Now we used to have Farmers Home furnish home management supervision. You don't have it any more.

Secretary **FREEMAN**: Yes.

Mr. **JOHNSON**: I would certainly like to recommend that you come back, in dealing with this group, and furnish home management supervision. Because, probably as we have heard in the testimony, we have some areas where we have 20,000 people unemployed—labor, farm labor, that is—unemployed. If we are going to make them a loan to buy them a home and to grow an acre or two of okra or other perishable foods, I think that you are going to need some home management supervision, and I would certainly like to recommend it to you.

Secretary **FREEMAN**: I accept that recommendation in the spirit in which it is given. We do do some of it, Mr. Johnson. We have the 100 which sticks in my mind. We have the 100 in FHA. That is a drop in the bucket of what the need might be. We also have, too, the direction of the training programs Extension is operating; some that reach the poor directly, some that are designed to train the other people who have that direct contact with regard to the food and food use. The point is surely well made that a great deal more is necessary.

Mr. **FORD**: Mr. Secretary, I note that you have been assigned the responsibility for coordinating programs dealing with agriculture and rural development at the Federal level. At some of the previous hearings—and certainly by my own observation—it has been shown in rural areas that at the local level there is a great lack of coordination between some of the activities that are coming through agriculture extension programs; for example, those of the community action programs, and the like. What needs to be done? How can we achieve better coordination so we are all operating to achieve the same goals in a more efficient manner than we seem to be doing at the present?

Secretary **Freeman**: First, from the national level a great deal of improvement can be made by simplifying programs and by agencies understanding the Department's other programs, and efforts are being made to do this. There are a lot of sometimes detailed, sometimes even petty requirements to some of these programs that are matching programs with the Federal-State-local programs that we are making a major effort to try and clear up and simplify.

But, frankly, it is my judgment that this kind of coordination will never really be adequately accomplished from the top down. It is going to have to come from the bottom up. That is why I feel so strongly about this kind of community development district with the adequate-size unit approach. If there is adequate preparation, adequate planning and forethought before an application is made or before someone starts a program somewhere; if in effect there is local leadership, as there has been, some technical assistance, so that people really have thought through and thoroughly analyzed what they are doing; and if it is a sound approach, why, they can get, I think, good and fairly prompt service from the Federal Government. But when there is a multiplicity of applications, some of which are not very well founded, when the programs in many cases may not be sound programs and they suddenly get elevated in the process of decision making, why, then you really, I think, get to a situation where nobody wants to say no, although basically they are just not sound. Maybe they are overlaps. Maybe they are conflicting. If you start from a solid basis where you have reviewed and had some professional help and know what you are doing, and know, then, that it is sensible to have a water system—let me just say—that covers six counties (indicating) and not have to have six of them in, say, the little towns around here—I am using an illustration. If they have these little towns come in for water, the likelihood is they may not get it. The likelihood is also that the reason may not well be that you ought to have a larger plant. It may be a number of things and a number of Federal departments may be involved, and some one will go home and be totally frustrated that he has no action. Whereas, if there had been a kind of real preparation ahead of time, I think this particular thing would go with reasonable dispatch.

My personal conclusion is that not a great deal more can be done on the Federal level, although we ought to work on it. There are a lot of programs and they do overlap. There are a lot of requirements we have in the Department. But fundamentally, to organize, and on a logical geographic and economic grouping to get the kind of professional help and local support and leadership to develop meaningful programs and plans, and then to move them forward—when that happens I think a good deal of confusion will be eliminated. That is easier said than done. We don't have that number of people who are professional planners. We don't have that degree of awareness in local areas. We don't have that measure of local leadership.

And so, perhaps the fact that there is confusion and overlapping—and this alone is not necessarily bad, if there is—this is a big country. There are a lot of local differences. There are a lot of different kinds of government, and I have served in all levels of government in various parts of the country. Out of this which looks like chaos and one heck of a mess, gradually things kind of jell. I think we are in the process of sorting out on how to go about this with the maximum of decentralization and local differences. I don't feel terribly discouraged about it. Fundamentally, that is where you are going to have to start out; in the country, that is where you are going to have to start. The Federal Government can help in this, help stimulate leadership, provide resources, help finance planning. Basically, the people locally have to decide what they want. It has to make some sense.

The **CHAIRMAN**: I know our time is up. With the Commission's permission, may I have one question?

You touched on a subject that is very close to me as a rural person, which is small towns that are part of rural America, the town between 500 and 3,000. Today it is my observation that the problem of water in the small communities is the same as electricity was 30 years or 35 years ago when many on this Commission know what it did to help the agricultural economy. Water is so necessary in small communities. In our testimony in Tucson and Memphis, many people came in and in many ways said, "We need small businesses, industries, little businesses in little towns to substantiate rural economy, but fundamentally water is a very strong necessity."

I think you said 30,000 towns in the United States need water. Your State administrator, director of the Farmers Home Administration, took the effort to come to my farm and discuss this subject with me before I came, and he tells me something like 1,000 water systems are being made available by the Farmers Home Administration, and that is about the capacity of the loans of grant. So 1,000 into 30,000 is how many years? You and I can see that something else has to be done in some other way to bring water to the communities.

Now for the testimony and for the Commission's information, would you have any way of making a suggestion in our deliberations how that might be possible, if we are to build these small communities? Might I say in one little town, which was in the so-called rich part of central Illinois, Frederick, Ill., 60 days after a water system came in they had a used car, drive-in, a real estate office, a laundromat, and some other places. It was so indicative of what happens when they have water.

Forgive me for making the question so long.

Secretary **FREEMAN**: As you say, what has happened has happened in many places around the country. If the President recommends to the Congress that we will be prepared to fund roughly 6,300 more water systems in the coming year, 30,000 in so many years, that need would be met reasonably. So, if we can have funding of these, our loan programs of primarily the very modest grants, I think we are on the way to doing something about that.

The **CHAIRMAN**: Thank you, Mr. Secretary.

We have transgressed on your time a little bit, but you have been a very wonderful witness. Thank you very much.

James G. Patton, past president, National Farmers Union, is the next party to address the Commission.

STATEMENT OF JAMES G. PATTON

Mr. **PATTON**: Ladies and gentlemen, Mr. Chairman:

I have a 15-minute speech, and then I have written materials, some of which are covered twice, but this does give me two shots at you in one poke.

So I would like to proceed first, Mr. Chairman. I am delighted to see you sitting where you are and to be here with a lifelong friend who is a member of your Commission, Mr. Lewis Johnson. We are old hands at this fighting-poverty business. I first knew Lewis Johnson when he was a county supervisor down in the delta country of Arkansas. I was a young punk who thought I was going to organize everybody out of poverty in a hurry in the delta of Arkansas and Mississippi. And some of them even had cooperative farms. Of course, that ran against the institutional structure, so they decided they had better sell off the cooperative farms, because it was unholy; and besides it was kind of Russian-like to have anything like that in America. But this goes a way back.

Actually, I am very pleased to be asked to appear here. I don't know who asked me, but that is not material. I did start in 1961 a national policy committee on pockets of poverty when it was a pretty dire subject around this town and no one wanted to think about it, because it was always being swept under the rug, as it is today. We have just a little edge of it out from under the rug, but we have subsequently swept it back under. We had a distinguished member, Mr. Truman, who is the honorary chairman. President Eisenhower was invited, but I think, because I had been rather difficult with Mr. Benson, President Eisenhower thought I might be difficult on the poverty thing, and he decided not to join our distinguished group of people.

About that same time, shortly thereafter, the then President of the United States, President Kennedy, called a meeting at the Shoreham Hotel, at which some of us leaner cats and all of the fat cats that could be gotten there were invited. And we were told about the great new hope of mankind, and about the great undertakings that we were going to make. We were going to be modern Columbuses, if you please, and sail off into space. We were going to the moon by 1970 or 1971, and everybody became wildly enthusiastic about going to the moon. We were all going to get there in good order. Besides that, we were going to beat the Russians there.

We spent billions. We didn't know as much then about going to the moon, at that time, as we knew about poverty and what to do about poverty. We didn't ask that question. We said, "We want to go to the moon, and we want to get there by 1970, and here is the money. Here is the attitude, and here are the people.

Where are the scientists and where is the machinery to put it together? By golly, it looks like we are going to get to the moon."

So we have piddled along with spending peanuts in talking about doing something about poverty, and it is very largely a conversational matter in which no one is taking it very seriously, including many of the poor themselves, because they don't know they are poor. But the basic thing I am trying to say, Mr. Chairman, while there have been many fine things done—and I am not one of those who castigates the Government, because I have worked with it too long and believe deeply in the farm program and what is being done, the Farmers Home Administration, many of the farm programs, the credit agencies, and all of these things—but we have created classes within classes.

We used to say, or I did, that the use of the Farm Security, Farmers Home Administration, was to put some feathers back on a poor old busted rooster so that the bankers could pluck him again. Then when they got him properly plucked again, they turned him back to Farm Security, and they had to economically qualify as going down rather than qualify as going up. When he could qualify going up, so as to get a loan from somebody, they turned him back to the bankers to get plucked. When he wasn't pluckable, they turned him back to get plucked again.

Now we have a second category. If the Farmers Home Administration, as I understand it, can't make a loan, we turn him over to OEO, and OEO decides they won't go higher than $2,500. I remember when I was talking to a distinguished southern gentleman whom I had great respect for. I said, "Why don't we raise the level of the loan to the Farm Security?" He said, "Apparently you don't know what the purpose of Farm Security is." I said, "I thought I did, because I had been in on all of the maneuvering and the planning." "It is plenty simple in the South," he said, "it is a lot cheaper to keep the Negroes and the poor whites out on a little piece of land with a cow and a pig and a little land than it is to have them come to Birmingham and get all boxed up in cramped quarters without jobs, and get in fights with each other. That is one of the principal functions of the Farm Security Administration."

That is crude, but it does indicate one very fundamental thing, and that is that poverty is indivisible. I suppose the reason that there was a Commission on Rural Poverty created is because we were getting so little attention rurally that the President decided to emphasize it. I submit to the Commission respectfully, Mr. Chairman, that urban poverty creates rural poverty, and that in turn rural poverty creates urban poverty. You can't separate the two, because you are talking about human beings and their values and their worthwhileness, and not about cows and pigs or bricks or sticks, and commodities, which are only incidental to the welfare of human beings.

So I would like to deal basically with a few important and significant things. In doing this, I am not in any way downgrading the day-by-day, minute-by-minute, and very detailed operations which have to be put into effect to deal with these things. But I always remember what a great international economist told me. He said, "In my country we have the policy of doing a few big and important things. Then we expect the people along with their cooperatives and their own institutions, their local governments, their State governments, and their quasi-governments, their churches, and other organizations to do the rest of it. But we create the kind of policy and provide the kind of climate and the necessary credit and finances to help do these jobs."

With that background, I have presented in this longer paper an 11-point program to eliminate poverty in rural and urban America.

(1) I would raise the net farm income for family farmers—and I want to emphasize the word "family farmers"—at once.

(2) I would provide by Federal action a fully adequate cost-of-living cash income for everyone in America on an annual basis, and I would revise it annually. If the cost of living went up, the annual income of that person would be raised to meet the cost of living. I am not talking about a welfare state, because I am absolutely opposed to the means test, and I am opposed to these agencies which have their people crawl through the transoms to see whether there is a man in the house, and I am opposed to the situation where elderly people in Florida have to live in common-law marriages in order to get enough social security to get along on. It is all bunk in a society of abundance. It has no place.

(3) Provide national insurance through the Federal Government for all of the people in the United States, not just the senior citizens, and include everything in it.

(4) We are badly understaffed as to medicine. We are badly understaffed at the institutions, and more than anything else we are badly understaffed in the means of using efficiently the supplies of medical care and the attention we have been giving, beginning with the ordinary licensed practitioners clear on up to the complexly educated physicists. That includes college and at the graduate level. I would pay people full wages and living expenses to go to college. Provide full opportunity to the limit of each person's desire and capability.

(5) Adopt a real, a genuine right to a job. I think every person in America, willing, able, and seeking work should have a legal right to a job. Unfortunately, the late Senator Taft made us weaken the Employment Act of 1946 by using that old corny language that every American should have an opportunity to a job. I don't know exactly what an opportunity is, if you have someone facing you with a blacksnake whip for keeping you in a corner or keeping the thing selective so you can't get to a job, or if you don't have money enough for a job, or there isn't a job around. This law should be fully implemented at all levels of government.

(6) Congress should adopt a direct policy of encouragement of family farming in America. Qualified family farmers should be licensed to a farm. Farmers are the only skilled professional or businessmen who are not licensed in some fashion to practice their skill. If the average farmer were to move to his small town and put up a shingle saying, "John Jones, Attorney at Law," the lawyers would have him in the penitentiary for life. If he put up a shingle to practice medicine, the doctors would put him in the State insane asylum, or whatever they call the institution for

the mentally deranged. Anyone who goes out and practices farming should have a license. We have made a god out of efficiency. We have made a god out of capital, and made the concept of the family meaningless in hundreds of thousands and millions of cases.

(7) Witness the exodus from the rural areas to the cities. The Federal, State, local government should take every step to stop exporting people from the rural areas to the cities. Eradicate poverty where it is now, in rural America, in urban America, among the lonely, the sick and the handicapped, and the aged.

(8) Build 350 new three-level cities of 150,000 population right out in the middle of rural America, connect all the population with high-speed, 340-mile-per-hour underground tube trains. Eliminate polluted air, and have water for the soil.

(9) Fully implement the programs already on the books. The Bureau of the Budget should stop its fancy juggling and allow the expenditures to be made which Congress has authorized and appropriated. A new capital budget, a new bookkeeping system for the Federal Government should be adopted. If any farmer, any business, any professional man ran their business or kept their business on the basis that the Federal Government does, everybody would be in hock and be broke. If we build a great dam that lasts 150 years we charge everything that we spend on that dam up to that year's expenditure. If we build a Federal housing program, one that costs $20 million, we charge it to the 2 years that we build it. This thing, in all probability, will stand there until it becomes a rotten, rat-filled, infested slum and will stand there 50 years. But we charge the whole thing up at the time.

(10) We the people own billions of dollars worth of government assets, but nowhere do I find anything on the books that says in our financial statement that we are a wealthy nation and that we own hundreds of billions of dollars worth of resources; that we have built hundreds of billions of dollars worth of buildings, and that the most valuable asset we have is an educated citizenry, to the extent that they are educated, and a citizenry, despite redtape, having provided a great abundance, greater than man has ever known, and capable of producing even greater abundance, wiping out poverty in a few short years, and capable of having obviously important ideas about important things close at home.

We go traveling around the world. We go traveling around the world showing people how to take a package of tomato seeds and grow tomatoes. We put up radio programs—I read in the papers that the CIA spends a heck of a lot of money sending students all the way around the world and financing a cloak-and-dagger sort of business. But we can't see the kids get an education where they are. I think we ought to be doing some of these things at home. I don't happen to be for this cloak and dagger, but I am for doing other things elsewhere in the world. But we can do it at home, too.

We do need desperately a capital budget. We can always find ways of justifying ways for going to the moon. I don't know what is up there. There may be gold, but it would have to be worth $1,000 to the ounce to get somebody to get it and bring it back. I know there is gold in every community where there is poverty; because if you create a new personal environment, create a new opportunity, make that person a productive person, a whole person, a person who has a value, a person who feels he is wanted and needed and worthwhile—that is the gold. And you don't have to go to the moon and find it, ladies and gentlemen. It is right here. It is everywhere around us. We have to create, it seems to me, the kind of concepts. We must build a quality America for all Americans. It isn't enough to build the glittering streets along all of our cities, where the honky-tonks are, where the neon lights flash on and off, and all that sort of business, to build cars bigger and bigger with more shining chrome and all of this sort of stuff. The quality of America will come with the quality of the people, and the people have quality. All that is needed is the polishing effect. We have diamonds scattered all over America, diamonds that are in the rough, diamonds that are covered with dirt, if you please, with dust from lack of use, from lack of attention, from lack of belonging, from lack of being wanted.

Let us polish up those diamonds. Let us take the people of America and build the greatest assets that any nation can have, and the only real assets. The only worthwhile assets that are lasting are the people themselves, and their growth, their capacity to govern themselves, their capacity to be more creative, their capacity to be whole human beings, and their capacity to live with each other in their home communities and at peace with each other, to understand the Golden Rule and to live the Golden Rule. But they can't understand the Golden Rule and live the Golden Rule if they have to live with the law of the jungle, the claw and the tooth, to go out and rob and steal in order to get enough; if they have to drop out of school because they haven't had enough opportunity, because they hadn't the opportunity or the feeling that they can grow; if they have to go begging around and acting like a second-class citizen, which they have been made to feel in your applied-means state. Then you are not creating a quality America.

(11) I submit we do not accept the need to massage our ego in the need to go to the moon immediately. But we are long since past the day when we should have eliminated poverty in America. Our primary goal should be to reach a full parity of living for all Americans before we reach the moon.

Thank you, ladies and gentlemen.

The CHAIRMAN: That was a very excellent testimony. Would you have time to submit to a few questions?

Mr. WOODENLEGS: Talking about going to the moon, in the past here, about the people coming here, you go to the moon, I will send a message with you. If you find Indians on the moon, give them the message not to make a treaty with you. (Laughter.) Having grown up in the West, I understand what you mean. I grew up in the West.

The CHAIRMAN: Thank you, John.

Mr. JOHNSON: Mr. Patton, we have discussed a lot and heard a lot of testimony about so much unemployment, farm labor unemployment due to mechanization, price wars, automation, or whatever you want to call it, that— Well, for example, in Arkansas we harvest soybeans, rice, and cotton on 90 percent by machinery alone. Now you accumulate a tremendous excess of farm labor, people if they had been working in industry there would be a tremendous cry, "Industry shutdown now. We must relocate these people; we must retrain them." We have had that cry for these rural people but that is about all that is being done.

Now would you recommend, then, that we go back where we were in the early thirties, that the government buy land and resettle these people, those they are able to find, let them grow food, okra, cucumbers, or tomatoes, or those things? At least put them out there in a home that they can have a little decency and a litttle pride? Would you recommend that the Government go into the wholesale buying?

Mr. PATTON: If I may address you as Lewis. Lewis, I feel very strongly that the question of land policy is a social issue and not an economic issue. I am afraid that we have strayed far afield by putting all of our emphasis on labor economics. We go around bragging—and I do sometimes, myself, I find myself guilty of it—that we are increasing agricultural productivity per man at the rate of 7 percent per year. What we don't tell is what the human cost is. Nor do we tell what increasing quantities of capital are needed. I think we ought to adopt a land policy in America that would give any one an opportunity to live on the land if they want to live on the land. I am not worried about us ever being unable to produce the foodstuffs and our share of the foodstuffs for overseas. I am deeply concerned that America will soon become an area of the world in which 85 and 90 percent of the people are piled up in concrete blockhouses around the perimeter of America on the seacoasts and lake shores, living a miserable life, while the greater part of America, the rural part of America, will be vacated. I never thought that Goldsmith's "Deserted Village" might apply to America, but it is becoming rapidly applicable. Nor did I think that Herbert Hoover—I never thought much of him, but that is a personal opinion only—would be right. Nor did I think that his prediction that grass will grow in the streets might be a reality. It is becoming a reality.

I would keep the people out on the land. Let us stop this crazy business of dividing people into classes. Let us assume there are going to be tremendous labor-efficiency farms and that we need them. I am not against them. Let us have a policy where we have land transfer laws that will make it possible for the young farmer or the older farmer to stay out there and farm. Let us move the industry out, so he can work on the farm if he wants to part of the time and hold a cash job part of the time also. That is why I recommend the 350 rural cities right out in rural America. There isn't any reason we can't do it the way they do in Japan; live on the land and if he wants to work in the cities part of the time, fine. If he wants to work in industry part of the time, all right. But live out there on the land because there is something more to it than just producing food. There is the lesson of self-sufficiency, self-help, of seeing things grow, the lesson of nature, the ability to have room enough to turn around. You can't pile people up 16 to 20 in one room without a bath, infested with rats, without having trouble. It is a wonder to me there hasn't been more trouble instead of as little trouble as there has been.

I would say, give them room. Let us have a land policy in America. Let us license farmers to farm. Let us stop this business of piling up for production. Let some of the rest of the world worry about production. We can produce, and family farmers can be efficient. I am not against efficiency, but I want to enlarge the definition of efficiency to include people, which is the most important single element of the whole definition of efficiency. What efficiency do you have, if you can produce all of the gadgets in the world and at the same time destroy people? I would cite just one thing. One of the things that our great vaunted efficiency is doing is that we are probably going to run out of air before we run out of food, because we are polluting the air so rapidly with our gadgetry that you had better head for the woods, boys, in order to live a decent life.

The CHAIRMAN: That was very, very good. Thank you.

Dr. Davis, I believe you asked to be recognized.

Mr. LAWRENCE DAVIS: Mr. Patton, if I can give a concise comment here, you made some very definite recommendations.

Mr. PATTON: Yes.

Mr. LAWRENCE DAVIS: It seems to me they struck on some rather fundamental aspects of our society. Do you think that these things that you recommend—a sort of planned society and subsidized society it seems to me—do you think that the initiative should come from Federal Government sources, or do you think it should be a sort of partnership with the various elements of our society involved? I got the impression that you recommend that the Federal Government take the initiative and give financal support to this sort of society that would be created.

Mr. PATTON: I am sorry that I gave you that impression, Dr. Davis, because I tried to illustrate in the beginning by pointing out what my good friend Mirhdall said, who wrote the American Memorandum—that the Federal Government do a few good, important things and you let the people concentrate themselves, including all levels of government, as community planning, such things as cooperative development, and the small business man, and all of that. That is what I was trying to say.

First and fundamentally, there are about three basic things. One is that we ought to have full employment, Dr. Davis, jobs for everybody. And, two, we ought to have an adequate distribution of income. Even one of Mr. Goldwater's consultants, Dr. Friedman, who is a very excellent economist at the University of Chicago, has talked about a guaranteed annual income. He calls it a reverse income tax. An adequate distribution of income. We have had a slanted distribution of income for two basic reasons. One is that the power structure of the administered prices has shunted off too much income, probably, compared to what others are given. And of course, in my generation, we have had two World Wars and two major wars which have taken a considerable amount of income.

What I am really talking about is giving as much authority to the people as possible, and I think your pluralism, to use another term, is growing in America rather than lessening. I doubt very much, for example, that you could get as much out of the Federal Government as the local school boards have voted upon themselves for education, if you really sliced it down. If the people understand what the issues are, they will come to it, in my opinion. We have all of these in-betweens. We ought to concentrate a few big things. We start out on the Employment Act of 1946. We call it the Full Employment Act. I was one of the first there. I was a chairman of the committee. It was a major concept. It was the first time we were going to pull up the poor.

As poor as it has been, the law has still served a real purpose. We started on this whole poverty thing. Still it is a fumbling alone, but we were in action. We are in motion, and the more people we have involved and the more we see that is needed— In rural America, of course, the basic thing is that the power structure is terribly weak. In urban America, you have all kinds of institutions and people, though, that have a vested interest in poverty, beginning with the welfare boards, the social workers. I am not going to pick on the social workers, but you have all kinds of voluntary agencies. In rural America, it is usually the county commissioners; and the county commissioners are elected by the power structure of the well-off, the local bank, the big farmer, and they run the county commissioners. And the county commissioners have the idea that you are poor because you don't have any better sense, that there is something wrong with you or you wouldn't be poor. You have no voice. This is especially true of your people, the American Indians, who have very few voices speaking up for them.

The Indians and the Spanish Americans have another problem. That is, they have a cultural problem. They have a language and a cultural problem. I am not so sure that their culture is not in many ways better than ours.

Mrs. JACKSON: I will just pick up on a statement you made, which is that you are poor because you had no better sense. I am thinking along the lines that you are poor because you have no better education. I would like to build a structure for education to change all— What do you propose for the educational system to eliminate poverty?

Mr. PATTON: I thought that I covered it very well when I said make formal and informal education free to all from birth, and to provide full opportunities to the limit of each person's desire and capability. I would pay people to go to school. I would furnish schoolbooks and I would do all of these things. I was including that in a general statement, and I don't think there should be any discrimination of any kind about going to school.

Mrs. JACKSON: I was more concerned about the building of people, the quality of it, the content of it. You are thinking along those lines, your content of education, and the support of it?

Mr. PATTON: Yes, I think we have had far too much interest upon the material. As a matter of fact, we talk about socialistic states and their materialistic objectives. I would submit that unfortunately America too often considers materialistic objectives an end in and of themselves, and that achieving that end is the justification for the use of any means, which I do not accept.

I think there ought to be such things in education as sociology and understanding the political structure and understanding how you play politics, how you get things done, what the power forces are in your community and the nation, and who runs what. I would put Congress on TV. I don't know how many would watch it very long, the performance they would put on. I am sure the attendance on the floor of the Senate and the House would go up very substantially.

Again, pluralism, attacking it from every front, informal education. Instead of the CIA putting men into the National Student Society, we ought to have it publicly done to help finance farmers' organizations, cooperatives, people's organizations in making—so that they have the money to do it. Lee Metcalf of Montana published a book recently showing certain industries spent substantial amounts of money playing politics, influencing elections. I think the people ought to learn how to influence elections, because they have the vote. It is just learning how to use it. This is part of education.

The CHAIRMAN: You have been a delightful witness. We would like to keep you here all morning. In deference to our schedule, we must move on. You have made some real contributions this morning. Some of the best contributions have been made orally.

Mr. PATTON: I want to express my appreciation as an American citizen to each of you for taking the time to serve on this Commission, because you are engaged in a most important and very significant effort. Don't be afraid somebody is going to be sorry about what you say. Write a tough statement and say it out cold. You are not working for the Government. The Government is working for you.

The CHAIRMAN: Thank you very much.

I have had a request for a 5-minute standup, and then we will have our next witness.

(A brief recess was taken.)

The CHAIRMAN: May we be seated, please? Our next witness is the Honorable Sargent Shriver.

STATEMENT OF SARGENT SHRIVER

Mr. SHRIVER: Mr. Chairman, members of the Commission, I am happy to have this chance to appear here today and participate in this important study which you are conducting on behalf of the President and the country. I am particularly pleased because of our interest at the Office of Economic Opportunity in improving the lot of those people living in rural America.

I have a prepared statement, Mr. Chairman, which I will be happy to submit for the record, but rather than go through it word for word, it occurred to me that it would be more helpful to you—at least, I am hopeful it would be more helpful to you—if we engaged more in questions and answers rather than my repeating to you facts which I think you already know and probably know much more about than I do.

Therefore, I will not recount the problem of the rural poor person as we see it because I think you have already gotten that factual information from others. Instead of that, I think you might turn immediately to a summary and chart which I have on my right which indicates quickly, I hope, what OEO (the Office of Economic Opportunity) has been able to do in rural America.

If you will look at that chart (indicating), you will see—as to the Job Corps, which consists of 113 centers located all across the country, residential centers with people 16 to 20 years of age, out of school, out of work—that the Job Corps has 40 percent of the enrollees in it from rural America.

Now it shouldn't be construed that this 40 percent is just 34,000 people permanently in any sense. For example, the Job Corps has 36,000 beds or slots as you call it. Through that whole process there will be close to 70,000. We hope to be able to process as many as 100,000 through the capacity that the Job Corps has. The 42,000, the 40 percent enrollees now are in rural America. We think it is important for us to get more and more enrollees from rural America.

As most of you know, it is not so easy in the early stages of new programs to get the word out, the information out to rural communities about the availability of a program such as the Job Corps. We think that the 40 percent of the enrollees at this stage being rural people, that it is a pretty substantial accomplishment.

Secondly, as to the Youth Corps, which is another program in the Office of Economic Opportunity under the Department of Labor (indicating), 32 of these are in the rural area. In the work experience program—that is a program of employment for the unemployed fathers of the families where the children are on ADC, you will see that 40 percent of the enrollees there are rural people.

In the community action program, which includes the programs for Indians and migrants, we have only 28 percent of the total sum allocated or used so far in rural America. I won't go into the explanation of why that is so. I think you can probably guess why it is so as easily as I can tell you. We can come back to that.

The adult education program, we have 35 centers in rural America. The rural loan program, as its name implies, it is all rural. So that program is exclusively reaching rural people. At least, I hope it is exclusively reaching rural America. The average there at the bottom—as you can see 34 percent of the total sum of money allocated to us has been utilized or made available in this sense to rural America. (Indicating.)

I would like to point out a fact about the Job Corps. Although I see 40 percent of the enrollees as being rural, you don't have any figure there which shows the impact on a rural community of a Job Corps center being physically located in that rural community. I would like to just give you an idea of what that looks like. Statistically, financially, the construction work of Job Corps centers has cost $80 million. Practically all of that has been spent in rural America.

If you take Camp Breckinridge in Kentucky or Camp Atterbury outside of Indianapolis or the conservation centers, practically all of them are in rural America. The Wing centers are not in rural America. In those cases we have not spent much construction money. I think we have in Albuquerque. So the largest part of the construction money has been spent in rural America.

Where a conservation center is being opened up in a small town, say Anaconda, Mont., with the salaries and the expenditures by the boys, by the staff, and so on, in that community it amounts to about $1 million a year specifically in that rural location. When we open up a larger center such as the one in Wisconsin, we estimate that that will produce about $5 million of expenditures in that local community.

By the economists' formula—and I have my favorite economist with me whom I might take this opportunity to introduce, Bob Levine, who is head of our research and planning program at OEO—by our usual formula, the total economic impact would be to consider all of this $200 million per annum. That is all spent, so to speak, or takes place in rural America.

Would you give me the next chart, please? In a sense one could conclude therefore that that is what we have done statistically. You all are extremely familiar with the two basic approaches to rural poverty. One is the physical resource development and the other is the human resource development type of approach. I think mostly in the history of our country we have been devoted more to the physical resource development than to the human resource development.

So when we started our program, we tried to focus on the other side of that problem, the human resource development. So those items indicate there in general the two approaches.

The next chart. Now in the course of our operations for 2 years we have developed some programs which we have considered to be at least tentative models of what might be done, focusing first on the human development angle and then moving from that to the economic development or a physical resource development.

Under the area here (indicating), the rural assistance model, you will see two of them. One is Elk River, and the other is UPCAP. Elk River is down in Tennessee, and it consists of nine counties, all rural, all quite poor. It serves an area of approximately 225,000 people, and of that group 47 percent are below the poverty line. They are in that sense our clientele. They are down beneath the $3,000 income level per annum. Sixty percent of the adults have less than a ninth grade education in those nine counties. Of the 30 towns and cities in those nine counties, 22 have less than 2,500 people living in them and only 2 have more than 10,000 people. I think by any definition that this Commission is using—at least I believe it to be so—this is rural America. It is a poor part of rural America.

In that area, a community action agency was created. It had as its objective not merely to utilize our programs but to utilize—coordinate, if you will—bring together all available programs that could be helpful to the people in that area, the Federal programs, the State programs, local programs, and private programs, if any, that could be attracted to the area.

How do you do this? They first of all get together representatives from the entire nine-county area, both public officials and private people, poor people, moderate income—obviously in that area there are moderate income people—minority group people, school leadership, religious people, et cetera, into one organization known as the Elk River community project.

In order to reach the people in Elk River, we created four neighborhood centers, large-scale neighborhood centers, plus 28 subcenters. This has been the method for getting the word out and the information up and down the countryside to the poor people themselves. It is part of the "out-reach" setup. These centers serve as a focal point through which the low income people in these nine counties can obtain services in the area—job placement, resume education, homemaker services, family counseling, and other types of neighborhood programs. From our agency, this Elk River community action agency has been able to introduce the Neighborhood Youth Corps, Headstart, a program we call Upward Bound, which I will describe in a minute, remedial reading programs, adult basic education, and a local program which they call Homestart, which is a method of reaching out to the families of Headstart children to work with the families themselves.

Upward Bound, for those of you who have probably never heard of it, is a program for high school youngsters, again at the 10th or 11th grade, primarily 10th, 11th, or 12th, or 10th and 11th grades who are not doing as well as people think they should be doing. In order to get into Upward Bound, you have to have a "C" average or worse in school. If you are flunking a couple of courses, that helps. What you have in addition to the "C" average or worse and the flunks is you have to have somebody—let us say your teacher, the school, the minister—say that boy or that girl could really be doing "B" or "A" if they had incentive to do it, if they had the motivation. That is what would result, what the consequences would be, if they were inspired to do "A" or "B" average work. This is a big parenthesis I am afraid, but I thought it would be interesting to you.

We had 25,000 youngsters in that program last summer. They are taken to colleges where they work with the college faculty and the high school faculty of the school to which they are going. Then they are consolidated during the academic year as well as during the summertime. So we made a study of the first 800 youngsters to go through that program the summer before. Extraordinarily enough, 78 percent of the boys and girls who were at the senior level went to college, and they are staying in college much better than the average youngster who goes to college regardless of income.

In other words, it is apparently true that we have been losing a huge amount of human resources, human intelligence, simply because we had no device for reaching and inspiring them and counseling them and their famiiles about the benefit to them of collegiate education. I think that the educators at least in our office would conservatively say that there are literally hundreds of thousands of boys and girls now in the 9th and 10th grades who could be brought into college if we had more devices like Upward Bound or a bigger Upward Bound program. This program operates across the country. It operated last summer in 220 universities and colleges. We hope to get that closer to 300 and 400 if Congress gives us the money.

A large proportion of those are rural youngsters. In Elk River they had that. They had OEO programs. In addition to that, they had something called "Complete" which was a program funded by OMAT (Office of Manpower Automation and Training). It enrolled 123 persons in this nine-county area, and it recently shows that 91 of them are now employed and in training; 76 are working for wages and earning an average weekly wage of $52.50. Their combined weekly wages total about $4,000. I am not saying these are big figures. But if you weren't getting anything before, these are big figures. They have an income improvement.

They have increased the farm income of the poor farmers about $1 million in the last 2 years through the training about the use of fertilizers and in other ways. The TVA for example has helped, and others have helped, and so on. They are planning to have a small business development center in this area. They are planning on an areawide water system. They are developing a measles immunization program. We are interested in that because as I suppose you all know, the measles have a very harmful effect on the mental development of children if contracted at a stage of their mother's pregnancy and so on. This is one of the public health services.

They are in a program of identification of the mineral resources in that area. They have applications in HUD to restore stone bridges which they think will help them. They are on a campaign to get a rural job source which will help them. They are also trying to get a local junior college. We think that this kind of combined effort from these counties together in a community action format has been extremely helpful to them and is one prototype which we are trying to accomplish.

The other there is called UPCAP. That is the name given to the other program which covers the upper peninsula of Michigan. That, too, is a large area. It has 15 counties, 16,000 square miles, 350,000 people. It is structured absolutely differently. UPCAP has what we call an umbrella agency and a community action agency which covers all of the counties. Within the counties, they have subsidiary action agencies, some of which cover only one county. The others cover a number of counties. The umbrella agency is able because we finance it—we finance the umbrella agency and the community action agencies—they are able to attract up to the UPCAP area and also to pay the people there who are all requested to do business with the State of Michigan and the United States government. They know how to make up the necessary program applications. They know how to make the studies essential to acquire money either from the State or from us. They have the expertise to help the residents of that area plan what is useful for the area.

In a sense what we are doing is financing through UPCAP the introduction in that area of sufficient technological assistance so that they can compete equally, for example, with those who are in the major urban areas. This has been extremely successful. At least we think it has been.

A large amount of money, more money than ever before, has moved into that area, and we think in large part because this instrumentality was there to make the applications and then to make certain the money was intelligently utilized at the local level.

The third kind of model would be well-known to all of you. It was encapsulated in the bill which was in Congress the last time, the rural community development agency idea. I have tried to give you a slight, at least superficial, development concept.

The next chart. This is a program which we think warrants some consideration on your part. It applies to everybody, whether we like it or not, the fact that people do leave rural America and go to the cities. It has been going on increasingly for 15 years. When I was in Chicago, we used to have under the county in Chicago some centers—we called them immigration centers—where we attempted to provide some services for people coming into Chicago from rural America who knew nothing about urban life. That really is dealing with the end product. Much better, we think, would be a system, an intelligent system, for dealing with the product at the source as well as at the arrival point, whether it is Chicago, St. Louis, or wherever it might be.

This is a very simple suggestion, obviously, as to how counseling and how guidance and job training and so on at the source, so that people could be reached for their arrival in the urban setting. This is not in some instances very popular because it makes no effort to try to keep people in rural America. You almost say that it is inevitable that a large number will leave rural America. How can we make their transition in urban life more effective to them and more satisfactory to our nation's economy? In addition to what we have done through these community action agencies and through other programs which I have just been describing, I would like to mention that there are some isolated things which we think are significant that OEO has done.

For instance, we finance the Appalachian hospitals. There are 12 in Appalachia, which I am sure you know of. They were all about to close up. We came up with the money to keep them open in counties where in fact there were no doctors. We came up with the money to keep them open, not to keep them open by picking up their debts and leaving them in the same financial situation as before, but under a system whereby they became affiliated with—Governor Breathitt would know about this. The State agreed through the medical schools to make these rural hospitals a permanent part of the permanent health resources of the entire area. Former Governor Holmes of Kentucky has now become the chairman of these associated hospitals.

Secondly, also in the area, we are opening up, we hope, in a few months a rural health center in the county in Mississippi which has one of the worst infant mortality rates of any county in the nation and also has a very poor health service for the poor people at this time. This has been done with two hospitals down there: Sarah Brown; the other hospital I have forgotten at the moment. These are local hospitals which without our assistance would have to close up.

In addition to the health programs I have just described, and we want to do more of those, we have a program of training people to work in rural America. We have a training program with the University of Wisconsin with the cooperation of the Farmers Union whereby people were selected by them and sent to the university and trained for an extended period with the objective in mind that they would go back into rural America and work in community action agencies in making them more effective. We have something in the rural area of Columbia where people have to be brought to that area with the same idea in mind, to go back to work more effectively in the rural community.

I think that I might just close, Bob, by mentioning the one thing I have omitted. I might just close by saying that an Elk River program, for example, or the UPCAP program does attempt and has successfully engaged the various services of the United States Department of Agriculture, the Department of Labor services, the extension services as well as OEO services, and they have introduced VISTA volunteers and relied on them heavily, not just persons to do good deeds as we see it but as technical assistants working with the local people for their own community action more effectively within Elk River, UPCAP, or the other programs.

Thank you. I hope you will give me an indication where you think the solution lies.

The **CHAIRMAN**: That has been a very excellent treatment with regard to rural America. Would you be kind enough to stay and have the members ask you some questions?

Mr. **SHRIVER**: I will be glad to stay. I hope I will have some answers.

Mr. **ROESSEL**: Mr. Shriver, in the hearings that the Commission has been holding in different parts of the country, probably the agency or organization that has been the most complimented has been yours. I think whether they be migrant, whether they be Indian, whether they be Negro, I think that there have been a great many very laudatory comments about your agency, and in particular the community action programs.

At the same time, there has been a great fear expressed over possible cutbacks, what some people have referred to perhaps as selling out in terms of the thrust that has been developed. Could you give us some facts with regard to what is being requested by the President, and how this relates to the past requests? And, in your estimate, is this request adequate and will this allow for the proper expansion of the program, or will this only allow for the continuation of existing programs?

Mr. **SHRIVER**: First of all, I am very happy to hear that there have been some laudatory comments made in the areas in which we have been attempting to work. Thank you.

Secondly, there has been no cessation of interest or cutting back of interest on the part of the President or the executive branch on community action. The first year, we had approximately $350 million, if I remember the figure precisely. I could get it for you.

Mr. **ROESSEL**: Total operation?

Mr. **SHRIVER**: Total operation. The second year, we did suffer a setback. It wasn't at the hand of the President or the executive branch. What happened was simple to describe. We had a rather large sum of money that was unearmarked money, unrestricted money, available to local community action agencies to spend in accordance with the community guidelines.

Congress, first of all, added programs that we didn't think of, and which the local communities thought of, which they would like to have. Next they took part of that money and earmarked it for those programs, taking it effectively out of the local community situation.

Secondly, they did like some programs, which we started, very much, like Headstart, and they took more money out of this flexible amount and put it into Headstart, or they took more money out and put it into the Neighborhood Youth centers, because they liked these programs.

Third, they reduced the total amount for the total operation. The combined effect was to cut the flexible amount down by some 200 or so million dollars. That was a severe reduction for the money available, for example, for migrants, for Indians.

The President's budget which he set up requests enough money out of Congress to get back where we were at the beginning, which would, in our judgment at least, give us a thrust that characterized the first year. The question, however, still remains. The question is whether Congress will authorize and appropriate that money for these purposes. We want it very much, not for ourselves, but we want it really for Elk River, or UPCAP, where it is in the hands of the local people.

Mr. **LAUREL**: I believe at the time that I introduced myself to you I told you I was from Laredo, Tex. Let me redeem you on OEO as to some of the comments, which are most unfortunate, particularly in a recent article in the Reader's Digest, you know, giving a black eye to Laredo and to the lack of money that had been available by OEO with reference to the poor people, that it had not been effective.

I want to refute it for the record. I am a citizen, and I am a district attorney in Laredo. I want to report to you that the people are anxious there for the continuation of your program, and to tell you how much has reached the poor people and how effective it has been. Laredo has a chronically unemployed population, a majority of which, of course, are migrant people that go into the streams of migrant labor in this country. I want to say, also, that some of the programs that have been initiated by OEO have been most effective to stem that kind of a problem in the community, and, of course, I would like to tell you that the recent developments there of the type that the poor people are more personally involved in the program and that they have 100 percent representation on the board, and things are developing well.

We would like to, of course, tell you that we are anxious to continue your program. I think it has meant a lot to Laredo. We want to commend you for the work you have been doing.

Mr. **SHRIVER**: Thank you, Mr. Laurel.

Mr. **FORD**: I want to follow up a point here and raise a question with regard to this new budget. Certainly in Kentucky we have been very pleased with the programs that were initiated. But there has been considerable concern about cutbacks in the work experience and training programs which have been apparently quite successful. There has been, also, concern with the budget for the community action programs in that it has been pointed out that this first year was largely for planning purposes and they don't need to go back and plan again, that they need to move ahead, that this will cost more money than the first allocations that they had in many of these communities.

Now apparently the funds that are being proposed by the President really are not sufficient to implement the programs that many of these communities have proposed. Is that correct?

Mr. **SHRIVER**: I think it is fair to say that the Federal Government, I believe, never has enough money, probably never will have enough money to implement all of the plans that all of the people will have at the local level and which are desirable to carry out at the local level. In that sense, we are not going to have enough money to get all of the needs that everybody sees as being desirable for us to finance. To me, that isn't at this stage of the game a fatal flaw. I think that if you continue to have more money each year than we had before for these good purposes which the local people have developed, then we are moving in the right direction.

What bothers me is where we are going backwards, so to speak. Now the President's budget would, if passed by Congress, permit us to move ahead, not as fast as the poor would like, not as fast as humanity as a whole would think desirable, but with some degree of deliberation and success, I think.

Mr. **FORD**: Apparently, in the work experience and training program, that does represent a cutback, does it not?

Mr. **SHRIVER**: In work experience, yes. Would you like to talk about that?

Mr. **FORD**: Yes.

Mr. **SHRIVER**: The reduction will be in part compensated by the corresponding increase in the community trainers' work in Health, Education, and Welfare. Even more important, the training program, as such, is taking a very substantial jump in this budget, so that it is a jump of $240 million, I think. Or a jump of $160 million, a total in our budget of $250 million. As a result of this, we are not cutting back in the training programs. Some of the people may have shifted into another kind of structure. It does not mark a cutback.

Mr. **FORD**: It marks an administrative change?

Mr. **SHRIVER**: You are correct, though, that in the budget the President has sent up, Title V, the work experience title, was reduced. That is correct.

Mr. **FORD**: I have one other question that I would like to raise. Along with the laudatory comments we have received, there have been chronic criticisms that the programs of OEO community action are not coordinated at the local and district level with other state and federal programs, and I would ask what is being done through your office to remedy this, if you view it as requiring remedying.

Mr. **SHRIVER**: First of all, I am sure it is true.

Second, I don't know any system yet devised where that isn't true.

Third, our office is trying to provide more money to local community action agencies so they can hire qualified people to do the planning and coordination, which up until now they have not had in enough numbers, at any rate, except in the kind of cases I have described. That is, UPCAP, Elk River, and let's say, 20 or 30 more.

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To answer your question, we agree with that criticism. We would like to have enough money from Congress to strengthen the local community agencies to do exactly what you think is needed. It would be better for the nation, better for planning. I have come to the conclusion, for the record, that though it is difficult, it is not as difficult to get coordination in Elk River, Tenn.—or it is easier to get it there than it is here.

Mr. **Bonnen**: I am very interested in your presentation of these different approaches to reaching out into rural life that you have discussed in general terms. Several questions arise in my mind that I wonder if you could perhaps elaborate on, or respond to.

Are there, in your experience, any differences between your approach in capital grants between rural and urban environment that are significant, that might be pointed out for our deliberations here? How do you organize when you go into a rural area that is different from an urban? It seems to me that there are a lot of us who have spent considerable amounts of time thinking about this problem of how are you affected at this extensive margin when your problem of orientation seems to be very intense. I don't think there is a clear roadmap in anyone's mind to success here. I wonder what your experience tells you about this?

Then, looking at these alternatives, can you at this point say anything about — there are differences in rural life, a lot of different kinds of situations — I see you do identify an item, that there is a different emphasis, or mix between the human and physical resources between the environments that you have inspected, the Elk River versus the UPCAP development type of approach.

Are there other differences in the environment that suggest that you use an UPCAP approach, for example, or an Elk River approach? I realize that early in these things you haven't any strong notions. If you do, I would be interested in hearing them. Within this context, what OEO programs have you found most successful and which least successful in extending into rural life? That is a big ball of wax, but you stimulate these kinds of questions.

Mr. **Shriver**: In response to the first half of the first question, that Item Number V there in general terms illustrates what we think of as being the best place for the Elk River- versus the UPCAP- type thing. In a nutshell, what it means is really that if you are working in an area like UPCAP, where there are a reasonable number or a substantial number of pretty well educated people, and where there is a chance for physical economic development which would be a permanent thing there, well, we think UPCAP is better. If you are working in an area where apparently —this may be wrong—but where it appears now that there isn't really much chance for long-term economic development in that area, physical development, and so on, no matter how much money you have spent on physical or resource development, then the Elk River approach is better; because it focuses a great deal more on the human as compared to the economic development of the area.

Mr. **Bonnen**: Is there a difference in organization or a mix of programs to be used?

Mr. **Shriver**: Both a difference in organization of these two cases, as well as a difference in the mix of the two programs. I realize that saying that, I am not saying very much specifically in answer to your question. I am not saying very much, because I don't think we know very much about that. What we have done is do it pragmatically. We have done it in cooperation with the local people, using their judgment as well as ours as to which kind would work better for them.

I have found out another thing down here. There is no one in Washington who knows the answers to all of this. It is a lot smarter, I think, to let that be decided in large part out there, rather than by some demagog down here. The differences are so subtle, the country so huge, if you get two or three different models, then let the people select what seems to be best to them, with some technical assistance. Then I think you probably get the best results.

Did you mention technical assistance? I think that is the biggest need. More trained people or manpower, either to go out and help at the extension end as you have defined it in the development of the Elk River situation or UPCAP, or by making money available to the local community action to enable them to employ people who will go out and stay there.

One of the criticisms in the community action is that we pay too high salaries. Some places have asked us to please pay people working in community action in that area much more than the other people get in that area. The reason is, they say if we can't get the wage scale up here to attract people to stay here, how are we ever going to get them? They want to attract people to live there and do this kind of work.

The next was which would be successful and which would not?

Mr. BONNEN: Yes. Does experience tell you anything about the kind of programs you are going to extend?

Mr. SHRIVER: From the point of view of getting community action into operation, it seems that Headstart had the greatest catalytic effect. It actually energizes people more to do things for themselves than any other single program. It gives them for the first time the feeling that they can really do something for themselves. It involves the totality of the community; not just the little children, but their parents, the community leaders, the doctors, and so on.

From the Headstart, we have in many cases been able to develop this whole concept of self-help from which the people will do these things for themselves, and that is the real nugget. If you finally get that thought through, that there is some money from Washington, that there is some guidance, and that the people can best handle their own problems right there, then you are going a long way to getting better human development.

Bob, would you like to add anything?

Mr. LEVINE: I am glad you emphasized Headstart. I think with all of our troubles in Mississippi that is a good illustration of the catalytic effect of Headstart. The only other thing I would want to add is, I want to answer the part of Mr. Bonnen's question which asks which part is bad.

Mr. SHRIVER: Excuse me. I have a mental block on that.

Mr. LEVINE: I think we could do some things in rural areas, you know, helping women to sew, and things like this, which I personally feel would be dubious in an attack on poverty. I think we could do something a lot more fundamental, such as UPCAP or Elk River, using the most of our agency's and other agencies' mobility. They look, from Washington, to be kind of trivial. These programs come up from the areas in the cases we are talking about; the people don't think they are trivial, and there may be good reason for them.

There are various cattle-breeding programs, which, as a nonfarmer, I don't understand.

Mr. SHRIVER: I should have cut him off there.

The CHAIRMAN: John Woodenlegs has asked to be recognized.

Mr. WOODENLEGS: Mr. Shriver, I want to say in 1913 the Northern Cheyenne was one of the tribes that came to Washington. The other tribes came. Woodenlegs was a delegate, and they took the delegates to New York to the Statue of Liberty. You know, the man signed the document welcoming all people from Europe. Now we are here today to say that he didn't know so many people would come. He didn't know that.

I am on the committee here that is trying to help the people that are here now. Now I want to thank you and OEO officials for this program, the community action program, for the Indian people, and the War on Poverty, because the Indian people are included in it this time. It seems like we want to build up like the white people did. We should have built up with you when you first came here. Then we wouldn't have this white problem, or you call it the Indian problem.

We are working along with you on Headstart. That is a good program for the Indian people. I remember about 25 years back that one Indian boy wouldn't go to school. So the Indian police went to the parents and told them, "Your boy has to go to school." The father and mother said, "We have to wean him." He was still nursing. You see, we are slow. We are awfully slow. But the Headstart program is real good. I have a commendation for you in working on the Northern Cheyenne. But this is good for all of the people, and the program is receiving the Indian people and making them do the work, and I think this is good.

In the Northern Cheyenne, we have 140,000 acres. We are using it, we are not leasing it down. I want to say on these programs they are all good for the Indian people. And the Sioux in Tucson, Ariz., they spoke good of the program, and it is helping.

The CHAIRMAN: Thank you, John.

Mr. SHRIVER: Could I put a footnote on that? I would like to say in addition to the Headstart program, for example, on the reservation—perhaps I shouldn't mention the Sioux, if you will remember for a minute——

Mr. WOODENLEGS (interrupting): On the Little Big Horn we worked together. (Laughter.)

Mr. SHRIVER: I want the record to show that I am a member of the Hunkpapa Sioux. Do you know that? I haven't made it with the Cheyenne yet. As long as we can work together, though. There is a housing program there which has actually trained a large number of Indians, who were previously unemployed, as apprentices and as journeymen in carpentry and in other construction jobs.

Then, too, the services of OEO are a large-scale operation now on the Navajo Reservation. I think we have 18 full-time workers for individual Navajos, not for the Tribal Council, but for the individual human beings on the reservation. That has never been done before. We have been led to believe that that is a very satisfactory and helpful program.

Mr. SAMORA: I would ask this. In CAP programs, what do you do with the power structure in the particular communities? The idea occurs to me if you cooperate with them, you are not doing much except to perpetuate the system. If you fight them, I suppose it is another problem. If you ignore them, there are still other problems.

Do you have any concrete solution to the problem?

Mr. SHRIVER: Well, community action is a little bit like an art rather than a science. I can't sit here and tell you that in a particular place you do this with the establishment, or that with the establishment, or with the poor. It has to be done, really, on a case-by-case basis in a way which conforms with the real-life human economic, political situation in that place.

So that what we accepted, for example, in the very early days in terms of minority representation on a community action board in a State where they never had any integrated community action group, any integrated group, period, well, what we accepted in that place in the first day is not what we accept today, nor is it what we accepted in another place on that subject.

In some places when we started, the establishment, as you phrase it, wouldn't have anything to do with it at all. They just stayed away from it. Then when we financed another group and money actually began to come, and jobs, and Headstart, and Neighborhood Youth programs began to arrive; then sometimes the leaders of the establishment had second thoughts, and seeing that these things worked, wanted to join up with it. We have obviously permitted them, because basically what we have been told by Congress is this. We have been told to mobilize all of the resources of a community, in the community action effort for that community, as well as mobilize all of the resources of the country in a total effort. Therefore, we don't think it is fair to exclude people from the community action effort as long as they are bona fide people of the community, and who have an honest and sincere desire to participate.

Mr. SAMORA: Even so, somebody isn't in it from the beginning?

Mr. SHRIVER: We keep the door open so they can join it later on. The development of the community action idea is a living thing. It is not stagnant. We say that it should ideally include the elected officials from the community, the business, religious, philanthropic private welfare people from the community. It should involve the poor. As the law specifically states, at least 33 percent of the people should be residents of the areas where we are attempting to carry on the work.

If you have that mix, theoretically you have an ideal community action setup. In other words, the establishment, the poor, the business, the labor leadership, the farm leadership in this case all sit down around a table just like this.

Mr. **SAMORA**: Isn't it theoretically, then, stacked against the poor?

Mr. **SHRIVER**: Unless you assume that all of the people who come there will do nothing but try to protect their own vested interest. If you make that assumption, then it is always stacked against the poor. Unfortunately, it depends upon how you look at it, because since we have fewer poor people than well-off people, it is always stacked against the poor. Everything is going to be stacked against the poor, period. There is nothing you can do about it.

If you can attract into the process, for sometimes selfish reasons, sometimes idealistic reasons, other people, then it does not have to end up as being stacked against the poor. And, thank God, we have hundreds and hundreds of cases now where what I have tried to describe as being ideal is actually taking place. To give you an illustration, in Kentucky, I think it was just a few days ago, there was a meeting in the Cumberland area, of 1,500 people who came to the community action meeting in Cumberland, Ky. That is an awful lot of people to come to a meeting in Cumberland, Ky. It is not an awful lot of people who are there. This shows, I believe, that there is great local interest in what is going on.

Just last week, on the South Side of Chicago, in one of those neighborhood meetings, 1,500 people came to one meeting, whereas last year nobody came. I don't think there is too much danger of people being excluded as long as everybody tries to grapple with the problem of poverty rather than their own selfish interest exclusively.

Mr. **LAWRENCE DAVIS**: Really, it is unfair, because Mr. Shriver has dealt very candidly with the question I have, since it was asked by Mr. Samora, but let me say that I am not sure that you are reading the seriousness of this problem in various areas of the country. I conclude this, because of my familiarity with the hearings. There are some areas in which the poorer people feel that there is a power structure stacked against their effective participation and against the effective implementation of the poverty program in its various ramifications.

Now, there are also going along with these felings certain collateral activities which suggest that the poorer people think they need to take—I won't say violent—but perhaps violent pressure tactics in order to alleviate their conditions. That is the impression I get. I would not want to feel that nothing can be done about it in areas where they feel they do not have a chance to participate fully to alleviate their condition.

I think the thing is much more serious than maybe we are reading it to be. Because of these collateral activities and doctrines that are being injected into their thinking, this can become a very serious national problem. And also, Mr. Shriver, due to the fact that within certain areas of our country, within the delta area, Mississippi, Arkansas, Tennessee, they are talking about 100,000 people being displaced because of the minimum wage, and so on. I think this is a very serious problem which we are going to have to rethink a little bit on, instead of concluding that nothing can be done about it.

I say that maybe something has to be done about it. I say this in all deference to you.

Mr. **SHRIVER**: Let me clarify my own position, that I agree with you. I didn't mean to imply by anything I have said that there were not extremely serious problems in many cases and many places. Nor did I mean to imply that we do not finance community action agencies which, in a sense, could be described as being against the establishment. We have financed many community action agencies where there was no establishment participation, in all of the States that you mentioned.

All I was trying to say was ultimately our objective was not to have—you said violence—our objective is to see whether we could get through that problem without violence. But we don't just do nothing in the face of the problem such as you have described.

The **CHAIRMAN**: Mr. Johnson, do you have anything?

Mr. **JOHNSON**: First, I want to commend you for doing a tremendous job under difficult conditions. Of course, there will never be a perfect state that you will work these programs in. You have done a tremendous job. Touching a little further on what he has stated, which we all know is a fact, how much more money are you going to give us in rural areas next year? Because this rural problem has increased. This is a serious question, because it is absolutely true. This rural problem has increased and we must have more money in our rural areas.

Mr. **SHRIVER**: We agree with you. I want to make one thing clear here. I don't give out the money. I don't decide how much money there is available for us to distribute. That is made by another group of people.

Mr. **JOHNSON**: Who decides how much the rural folks get, Mr. Shriver?

Mr. **SHRIVER**: Let me tell you how that comes down. First of all, there is a group here who has the power of what they call the purse. It is not OEO. They can either open the purse or close the purse. They can decide if they want to put any sum of money they want into rural community action. We have made some suggestions. I will be very humble about the suggestions.

We have made suggestions which would, in fact, put somewhere around $80 million more into the rural area community action operation this coming fiscal year than has been in it in the last fiscal year. You might say that is not enough.

Mr. **JOHNSON**: That is what I would say, yes.

Mr. **SHRIVER**: There are people who can take care of you. I don't happen to be the person.

Mr. **JOHNSON**: I still want to commend you for doing a tremendous job.

Mr. **SHRIVER**: Every one of you come from States where there are people who are capable of it.

The **CHAIRMAN**: We want to apologize to you for trespassing on your time, and to commend you for being a particularly interesting witness.

Mr. **SHRIVER**: I would like to avoid a terrible catastrophe by calling attention first of all to our Green Thumb program.

Mr. **JOHNSON**: Thank you, Mr. Shriver.

Mr. SHRIVER: Which has been an unqualified success, I think in the four States where we have attempted at the beginning, and we would like to carry that further in the future, and as a matter of fact, bring the benefits of Green Thumb to many other places.

Secondly, migrant program hasn't gotten much attention while I have been here, from this Commission. We feel that the efforts we have made from the viewpoint of migrants, in housing and sanitation and so on, have at least opened up the way to ameliorating the situation, in fact, giving them many opportunities to get out of poverty. All of these programs, in fact, talking about Headstart, Youth Corps, and so forth, are available to them. But until OEO came along, I don't think there were any programs of a substantial nature for migrants at all. I don't want them to be overlooked, because they are a large part of the rural poverty problem.

The CHAIRMAN: In our Tucson hearings, in our Memphis hearings, in some of these areas this was testified to very eloquently, and we have it in the record. And I assume you would like to go on record here mentioning——

Mr. LAUREL (interrupting): I mentioned in my statement of Laredo, I think, it is in that area where I think that greater work has been done, not only in Laredo but in the south Texas agricultural area. And those are the areas where I feel they are very anxious about any cut in the funding of the programs that OEO has started. They would like to continue. They are just beginning to really realize their potential in getting out from the poverty.

Again, my commendation to you.

The CHAIRMAN: Thank you very much.

Members of the Commission, and ladies and gentlemen, we will continue our testimony. We are going to continue right through the noon hour, as we have done in previous hearings.

The next witness scheduled is Rev. Walter Fauntroy, who is testifying in place of A. Philip Randolph, who is ill.

Are you the Reverend?

Mr. FAUNTROY: Yes, sir.

The CHAIRMAN: Thank you, sir. You may go ahead.

STATEMENT OF WALTER FAUNTROY ON BEHALF OF A. PHILIP RANDOLPH

Mr. FAUNTROY: Thank you, Mr. Chairman, members of the Commission:

I am a member of the National Advisory Committee on Farm Labor, and director of the Washington Bureau of the Southern Leadership Conference, and vice chairman of the White House Conference To Fulfill These Rights, on which Dr. Randolph is the honorary chairman. Dr. Randolph, of the National Sharecroppers Fund, yesterday hoped to be here to submit his own testimony, but due to the untimely illness could not be here and asked me to present his statement.

He asked, also, that I be permitted to have at my side Mrs. Fay Bennett, who is the national director of the National Sharecroppers Fund, for her help on the many phases that relate to technical matters.

The CHAIRMAN: We are glad to have her with you.

Mr. **FAUNTROY**: Thank you. Dr. Randolph would have me say that he appreciates the invitation to appear on this National Commission on Rural Poverty. He always welcomes the opportunity to testify against the shameful injustice of endemic poverty in the richest society the world has ever known. He professes his discouragement in appearing again before still one more commission when the facts are obvious and the need is for action.

Everyone knows the unrivaled productive capacity and the magnificent natural resources of the United States. And nearly everyone knows now, if they did not a few years ago, that, while 30 percent of our people live in the rural areas, 43 percent of our poverty is there; and while 25 percent of our people live in the Southeastern States, about half the poverty is there. The President has deplored it. The Secretary of Agriculture has documented it. Only 2 weeks ago, in this very city, outstanding citizens assembled from all parts of this nation under the auspices of the National Association for Community Development and gave 3 days to discussion of rural poverty. We are relying on the National Sharecroppers Fund for many of the facts and figures I will present in the statement here today.

Gentlemen, we have had enough committees, enough commissions, and enough conferences. We need action. In the generation from 1940 to 1965, some 25 million people (in terms of change of residence and net migration) left agriculture. Is this not one of the great migrations in all the world's history? Yet in all that quarter of a century we have seen no coherent plan or program or social purpose either to help those millions remain on the land or to prepare them for the changed environment of the cities into which they thronged.

Now there is concern and testimony and legislation to deal with the great crises of American cities. How could there not be a crisis in our cities? But it starts in the countryside where, even today, new thousands are being dispossessed and starting the long involuntary trek away from their homes.

In the great depression of the thirties, when poverty blighted the land, evictions and forced sale of farmlands were stopped by desperate farmers with guns on their shoulders. Auctions found no buyers. Government listened, at least for a few years, when the Farm Security Administration experimented with programs to keep land in the hands of small farmers. But the programs died under pressures on Washington, and the Department of Agriculture went back to its usual services to commercial agriculture, helping the big grow bigger as the little were forced to the wall. A major speaker at the Community Development conference I have mentioned, speaking of the current neglect of the rural areas, suggested:

> Perhaps if there had been a few demonstrations out in the country, the OEO might have responded with more demonstration projects. I'm not suggesting that sharecroppers rampage along the cotton rows or start burning cornfields, but it does appear that the action is where the action is.

The "tent cities" of Alabama and Mississippi, housing the dispossesed who have nowhere to go and nothing to do, are vivid testimony to the pressures behind the great migration to the cities. Last year, the cutback in cotton acreage was the rationale for the dispossessions; before that, it was mechanization and efficiency. There were evictions in Alabama because tenant farmers would not sign over their ASCS checks to the plantation owners. In Hinds County, Miss., evictions are directly related to the tenant farmers' attempt to share in Federal programs; to their asking for receipts in business dealings; to the election of Negro members to ASCS committees. Some evictions can be attributed to voter registration drives, and the fear of the growing Negro vote in the black belt counties is certainly a factor in the desire of the white power structure to see Negroes leave the area.

And now there are reports from Mississippi that the minimum wage for farmworkers is a new reason given for evictions. Two explanations are made: First, the minimum wage applies only if there are seven or more employees; this stipulation is an incentive to avoid coverage by getting rid of many who have been working as day laborers and who have continued to live in the plantation shacks. Second, some plantation owners are shifting from cotton to cattle; they want to clear the land now occupied by tenant housing and truck crop patches, and turn it into pasture. The latest word is that the Governor of North Carolina has declared sharecroppers "independent contractors" in order to prevent them from qualifying for the Federal minimum wage.

Just last week, there is new evidence and this appears in the New York Times—I hope you will note it in the appendixes we have included here—of a Department of Agriculture investigation of a wealthy planter in Sumter, Ala., because the tenants would protest to the signing of their allotment payments to him to offset debts. The tenants leased 4,000 acres. From now on, it will grow pine trees, not cotton. Approximately 25 persons will be allowed to remain, if they pay $25 a month rent; but there will be no work for them. "I just like work farming," said one tenant. "I have been doing it all my life." But there is nothing to help him stay in farming. The county has no general welfare program, nor any poverty program. The displaced tenants may be eligible for Federal retraining, but most of them are illiterate and growing old.

In Mississippi, an estimated 1,000 workers are being displaced by chemical weed killers, and even more will be to avoid minimum wage. This year, then, the minimum wage is speeding the displacement. Last year, it was the cotton cutback from 25 to 20 percent.

We strongly urge that the Federal Government respond to this emergency with programs to rescue these impoverished people who have been kept in a state of dependency and who are now once again being made the victims of the very legislation that should be helping them.

I want to mention, briefly, discrimination in agriculture. The large local landowners are still the dominant voice in the control of Federal programs that ought to be helping small farmers, black and white alike, to remain on the land. The U.S. Civil Rights Commission has documented this, and I need not bring that further to your attention. The point is that all of these factors are moving the people away to the cities, keeping the crisis in the rural regions, deepening the crisis in our cities, and forcing us to at best treat symptoms in the cities for which cures could be effected in the rural areas.

It is thus understandable that the continuing exodus from the rural areas includes white and nonwhite farmers alike—tenants, part owners, and owners—and that the small individual farmers are hardest hit.

Nearly 20 percent of the farms disappeared in the 5-year period 1959-64 in nine Southern States: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee. I need not document this any further, for I am sure you are all aware of it.

In Alabama, the National Sharecroppers Fund has been working with other concerned groups and individuals to try to secure a surplus food program for needy people. Out of 67 Alabama counties, the 30 richest counties have food programs and the 37 poorest do not. When the attempt was made to organize food distribution as a single-purpose project under the community action program, white citizens previously opposed to a food program announced they would cooperate, but suggested setting up an integrated CAP. The result was that the single-purpose project did not go through, and there is still no food distribution in the poorest counties.

The food stamp program was expected to provide both more food and more choice for poor people than surplus commodity distribution, but in practice it means that those who are too poor to make the cash payment required to buy stamps are cut off from food altogether, as the statistics we have here indicate.

For some months last fall, the National Sharecroppers Fund and other organizations worked with Southwest Alabama farmers on plans for a Farmers Cooperative Association (SWAFCA). It was found that extension personnel were advising the Negro farmers to plant soybeans for the local market, to secure the credit they needed from local buyers, and to hire harvesting machines from the same people. Yet the farmers were trying to organize, and had come for advice, primarily to escape this local monopoly control which had always kept incomes low. When pressed, the county agent mentioned other crops, but always directed them to the same local market.

A day-long conference was held in Selma, Ala., in January 1967, attended by local farmers, members of co-ops, and local and national representatives of OEO and the Department of Agriculture. After the Government representatives had consulted together, their spokesman called the efforts of the group "premature" and suggested that they go back and organize themselves more effectively, and perhaps next year they could have a vegetable marketing operation.

May I also stress for Mr. Randolph that the South needs more money in terms of dealing with its rural problems, and gets less.

The South—defined as the States of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia—had 25.9 percent of the nation's population in the 1960 census, and nearly half of its poverty. But its share in the programs that might relieve that poverty is, at best, only near the population proportion, and far from the extent of need. For instance, only 21.8 percent of public assistance payments in the United States in fiscal 1965 were made in the South. Public assistance payments there are below the national average in total funds, coverage, and average payments.

The proportion of substandard and deteriorating housing is twice as high in rural as in urban areas. Yet, since 1950, the Federal Government has built more than 36 homes in cities and their suburbs for each one built with the assistance of FHA in rural communities.

The question we ask is, Why is not the government moving to aid the thousands being dispossessed in Mississippi today, for instance, and giving them work at the same time, by helping them to build new homes for themselves?

Even under the antipoverty program itself, the rural areas get less than they should.

The Department of Labor programs—only 20 percent of Manpower Development and Training Act funds went for projects in rural areas, where again the need is enormous.

The lack of assistance is nowhere exposed more starkly than in the support for the land grant colleges in the South. The total budget for the 16 Negro agricultural colleges was $32 million in 1962, while that for the four white land grant colleges in the same area, with somewhat fewer students, was $72 million. What we are stressing is the need for creative and Federal involvement on the basis that something can be done through the Government and its programs to deal with the rural problems of which many of our urban problems are symptoms.

The fact is that something can be done about rural poverty. Small farmers who want to remain on the land can be helped to do so. The great exodus can be stemmed—although there will always be some who want to migrate and who should be given help to ease the transition. But the rural areas can be rebuilt.

The proof of this lies in many pilot projects—a kind of tokenism that has repeatedly demonstrated success and hope, and then been forgotten. But the demonstrations have been made and the need now is not for "pilot" but for massive economic programs which only the Federal Government with its resources can accomplish.

I would like to cite just a few examples of these kinds of programs. The Tennessee Division of Vocational Education, working with county school boards, developed a program under MDTA to try to raise the income of farmer participants from 20 to 40 percent in the first year, and by 60 percent over a 3-year period. Subjects taught in this training course were specifically geared to the farming operations of each individual trainee. Most attention was given to soils, crop production, livestock production, and farm plans. The course started with a visit to each farm to develop a realistic plan for it. Other subjects farmers need to know about, such as keeping records, taxation, electricity, were included. Information was given about Government programs and services; and in this case the local agencies cooperated enthusiastically.

The first pilot program, the Yorkville management class, began on July 15, 1963. Attendance averaged 97.4 percent. Average net income for the trainees, both white and nonwhite, in 1962 had been $343, but by 1964 it was $1,285. Of the 19 men in the class who completed the course, 14 increased their incomes by more than 100 percent, and all know that their returns will continue to grow.

When Employment Service representatives asked the trainees if they would now take a job in town, each program graduate answered, "No."

The experience of the southern rural training project (SRTP) of the National Sharecroppers Fund proved the possibilities once again. Local leadership in southern communities was helped to secure funding for 12 programs providing education and training for more than 2,100 low income adults. Sixteen additional projects, to serve more than 3,000 trainees, were ready for 1967 funding when the project ended. For SRTP was a demonstration program, and when the demonstration of success had been made, the project was over and, ironically, could not be refinanced, according to Labor Department officials.

Title III-B of the Economic Opportunity Act was found to be again the most fruitful for developing projects in rural areas. In developing these projects, SRTP field staff encouraged indigenous people to take an active part in the planning and processing.

From these and other examples, obviously, a great deal more of OEO funds should be channeled through Title III-B programs, which have the flexibility to meet directly the needs of the rural poor. They can provide basic education, prevocational training, medical and counseling services, and assistance in job placement or in obtaining advanced training.

All over the South, poor rural farmers—like those in Alabama —are trying to help themselves by developing cooperatives that will stretch their incomes further and add to their net returns. One example of this is the Mid-South Oil Cooperative organized in Fayette and Haywood Counties, in Tennessee, with the help of an OEO loan for $49,000. Another is in Kershaw County, S. C.

I want to focus on the one in Panola County, Miss. This is a county which lost one in four of its residents in the decade between 1950 and 1960. In 1964, a group of struggling small farmers were desperate about the price they were getting for their okra—only 4 cents a pound. A single local broker had monopoly control of the market and wouldn't even discuss the price with the farmers. NSF's Mississippi field representatives advised them about forming a cooperative. They learned to buy seed wholesale and pass the saving along to members. They learned to sort and grade the okra, and how prices varied on the Memphis market. At first the county FHA agent was discouraging, but after they surveyed the county themselves and found out how many farmers would join, he changed his mind. The co-op obtained a $113,000 OEO loan which covered not only the okra operation but two cottonpickers—this meant that their children were freed to go to school instead of having to help with the harvest. The co-op also bought bean combines and a bulldozer. Now they are planning expansion to buy fertilizer, insecticide, and farm equipment for the members, and talking about a cotton gin. These farmers are staying in Panola and they are meeting with farmers in neighboring counties to help them get started the same way.

Yet farmers in Alabama are still told to come back next year. Why should the rural poor have to fight so many obstacles to get help to which they are entitled?

The way up from poverty should be easier in the rural areas, and far less costly. The maximum loan to a farmer under OEO—which reaches those too poor to be helped by FHA—is $2,500. One of the trainees in the Tennessee program bought a second-hand walk-in cooler and constructed a slaughterhouse with a loan for that amount.

Measure against this the cost of maintaining a family on welfare in the city—a cost which does nothing to help the family become self-sufficient, and which mounts up year after year, and perpetuates the cycle of poverty. The basic monthly welfare allowance for a family of five in New York City was given as $289.85 in the New York Times for December 19, 1966. That is $3,478.20 for a year without including overhead and personnel expenses. The city distributes $42 million a month to welfare clients, more than half a billion dollars a year.

J. P. Lyyord, author of a well-known study of urban slums, has asked:

> Why, for instance, must huge concentrations of unemployed and untrained human beings continue to pile up in financially unstable cities that no longer have the jobs, the housing, the educational opportunities, or any of the other prerequisites for a healthy and productive life? Why do we treat the consequences and ignore the causes of massive and purposeless migration to the city? Why are we not developing new uses for those rural areas that are rapidly becoming depopulated? Why do we still instinctively deal with urban and rural America as if they were separate, conflicting interests when in fact neither can be served independently of the other?

A crash program for the rural areas is overdue and must be given priority. Just as an example, why should it not be stipulated, when government contracts are awarded, that preference shall be given to subcontractors in underdeveloped areas with surplus manpower? This would begin to move jobs and industries into the rural areas without extra expenditures. Why not a massive housing program, with new, inexpensive building materials and techniques, using the labor of the dispossessed under the direction of skilled craftsmen, first to build the homes they need themselves; then, with acquired skills, to repair or to build for the thousands nearby who are miserably sheltered now? Why not say "Yes" to the groups of farmers struggling to build co-ops, and share with them the knowledge of crops, techniques, and markets that has been developed by our agricultural specialists? Federal initiative should reach out in every county. Why not make adult literacy and skill training as universal as the public school system?

Granted, public investment is needed: roads, schools, hospitals, water systems—everything is lacking in the rural areas. But it is equally true that every dollar spent will come back multiplied. Rising incomes mean both reduced welfare costs and a growing tax base. Money spent locally means the revitalization of small towns, small businesses, and community services, growing trade, each an expanded tax base. All this will encourage industry to move in; and the local market created for truck crops will stimulate the small farms. The cycle of poverty can be reversed into a cycle of prosperity.

A great deal has been said, and studied, and resolved, in the course of the War on Poverty, on the question of adequately motivating the poor—the underachievers, the hopeless.

It is time that question was turned back on the developers and administrators of Federal poverty policy. Too many of them are without hope—they take the view that nothing can be done for the marginal farmers and the rural poor, despite the evidence of demonstration projects that prove the opposite.

It is the government bureaucrats who are the underachievers. Having the authority and the resources, they have been unable, and sometimes unwilling, to bring these to bear in a creative and massive program of rural redevelopment that could end rural poverty.

Government officials need to be motivated. We can end rural poverty. Let's tell our public servants to stop shortchanging the rural areas and to get on with the job.

Thank you for the opportunity to present this testimony on behalf of Dr. Randolph.

The CHAIRMAN: Thank you, Reverend Fauntroy.

Number one, could the members of the Commission have a copy of that very detailed statement that you have here?

Mr. FAUNTROY: Yes. You may have these copies of several appendixes which I think make it very clear just what we are saying.

The CHAIRMAN: We don't need it at this minute, but that is a very detailed testimony and most of us can't absorb that much too fast, and we would like to read it over again.

(The full statement and appendixes were submitted at this point.)

The CHAIRMAN: Do we have any questions from our Commission?

Mr. HUTCHINS: As I understand it, a good many of these programs are more or less well designed, but their success is blocked at the local level.

Mr. FAUNTROY: There is no question that that is the case with respect to many agricultural programs that relate to the problems of poor farmers. But in the case of Negroes, it has been our experience they have been systematically excluded from the benefits.

Mr. LAUREL: You represent the Sharecroppers Fund, Incorporated; is that correct?

Mr. FAUNTROY: No, I am a member of the National Advisory Committee on Farm Labor. Dr. Randolph is a member of both boards and asked me to appear in that capacity. I have with me the executive director of that fund upon whom Dr. Randolph has relied heavily for his documentation. I might say also in the function of my role as a vice chairman of the White House Conference To Fulfill These Rights that we were very disappointed that we did not have sufficient staff to develop the in-depth kind of analysis of the problems of the rural poor for that conference that we would like to have developed.

Dr. Randolph sees this Commission as an opportunity to lay before you the considered judgment of many people who would like to have had this kind of detail included in our recommendations to the President on these matters.

Mr. LAUREL: We have received some literature from the Sharecroppers Fund, and I was really amazed at the kind of work that can be done, you know, when people undertake jointly to really better the conditions of people living in rural America. I believe you ought to be commended.

Mrs. **Bennett**: If I may be allowed to comment, Mr. Chairman, Mr. A. Philip Randolph is vice chairman of our group. He was invited, however, as an individual, as I understand it. And he asked me to come to sit by Mr. Fauntroy in case you asked some technical questions that he wasn't prepared to answer, since we have the facts and figures. Mr. Fauntroy, to save time, went through that testimony pretty rapidly. If you will read it, you will find a great deal more that we felt he should not at this time take your time in going through.

All of the documents that he mentioned are included in the appendixes. For example, in the Mississippi situation that he mentioned, we have proof that in 11 counties where a few years ago 50,000 people approximately were getting surplus commodities, that when they changed over to the food stamp program only 25,000 people were taking advantage of it. The rest did not have the cash to buy the stamps. So they are completely without food. There is no necessity for that.

I would like to point especially to this training project. The Department of Agriculture has been getting a lot of lumps, I understand. I would like to show one thing in our testimony. In the rapidity in which it was typed, we talk about OEO loans to the farmers in cooperatives. These are done in cooperation with the Farmers Home Administration, which does administer those loans; I am sure you know that. And FHA was left out. So it is done by FHA through the Federal title that OEO makes possible.

One further thing while we are passing around lumps, as it were. The Labor Department did provide us with a very small grant, $150,000 a year to hire a 6-man professional staff to set up training programs to reach out to really poor, illiterate people who were way back in the boondocks where there is really no employment office. We have proved through our resources that the nonprofit agency is a bridge agency, if you will, and I think the United States, one of the great things of our country—I think President Johnson said this, that we not only have government, but we have private groups who care along with the citizens. And our function with no vested interest is to act as a bridge and to help bring the government resources to the people who simply don't know they exist. Because the government can't have a local man in every little backwoods area where they don't even have a road going, we are able to set up training programs tailor made to meet the needs of people who couldn't even read and write. And we have brought them literacy at home and counseling and help, and we have begun on the road at least.

I wish this Commission would ask the Labor Department why they cut that off just as we were really doing some good, where 6,000 people in 2 years were reached, not only tapping the Labor Department and MDTA, but also OEO funds, upgrading teachers who were cut out of jobs for integrated schools. In other words, we were doing a lot of things that the government bureaucrats were too busy to do, or there were too many other things to do.

I do believe, myself, that the Labor Department and the big agencies in Washington with all of the best intentions get so tied up with where the wheels squeak the loudest, the hot cities, that they don't pay enough attention to what can be done in the rural areas. With a very small amount of investment, you can save people and stop this trek and start a whole new process, which I think can bring a new renaissance to rural America.

Thank you.

The CHAIRMAN: We sort of take turns going to lunch. Otherwise, when we had this space for lunch, it was a little hard to get everybody back in.

Our next witnesses are John C. Lynn and Matt Triggs of the American Farm Bureau Federation.

If you gentlemen will continue. Thank you very much for your kindness.

STATEMENTS OF JOHN C. LYNN AND MATT TRIGGS

Mr. LYNN: My name is John C. Lynn, and this is Mr. Matt Triggs. We would like to read the statement in outline form and have the full statement inserted in the record. We will present it jointly, and hope that we can answer any questions that you might have jointly.

Mr. TRIGGS: Well, a copy of our statement, as I understand, has been placed before you. At the start of the bottom of the first page we talk—the first page, the tone of the first page discusses our opinions of what poverty is and the policy of the American Farm Bureau Federation. And then we get into the nature of the trouble.

Mr. TRIGGS: In the past 10 years the average reduction in farm employment (farm operators, family workers, and hired workers) has been about 250,000 per year. The reduction in farm employment also reduces substantially the number of rural persons who can be employed in providing goods and services to farm people.

There are many undesirable effects of this trend. But we had better accept as an economic fact of life that this trend will persist in the next few years, if we are to deal realistically with the trouble.

Between 1955 and 1965 average productivity per farmworker increased 91 percent. We believe this trend will continue in the discernible future.

Thus it would be idle to suppose that agriculture can possibly employ as many people in the future as are being employed in agriculture today. Programs which encourage people to enter or continue a subsistence-type agriculture lead to a dead end street—particularly for young people.

In some fortunate situations, industrial and commercial businesses will develop in rural areas to provide employment for those moving out of agriculture. This is a very desirable development where feasible. But it would be unrealistic to assume this is feasible or is likely to happen in most farming communities. Efforts to develop industry in areas that do not have an adequate economic base are likely to prove both expensive and frustrating.

The problem therefore necessarily is one of trying to open the door of opportunity for rural migrants for employment elsewhere—hopefully and preferably in nearby towns and cities, or, where this is not feasible, in more distant locations.

If there is any way to help this process, except to provide rural residents with education, retraining, and counseling, we don't know what it is. Education and training, in-school and post-school, are the most effective means of improving individual capability to fit into a modern economy. The problem involves more than providing educational opportunity, since individuals must have sufficient initiative and motivation to take advantage of such opportunity.

It is, of course, recognized that education is a relatively slow process and offers the greatest promise for young people. However, adults who have limited future expectations under conditions in which they find themselves should be encouraged to qualify for gainful employment in occupations for which employment is available.

It is important to avoid the movement of people from rural areas into the major "core city" areas to which so many rural migrants have moved in past years. Every effort should be made by counseling and other means to encourage people to move where the job opportunities are. The fact that employers in many areas have had difficulty in filling jobs and have undertaken extensive recruitment and training programs has been well publicized.

We believe that government programs to help the poor should be carried out primarily through experienced State and local agencies. Crash programs which involve the establishment of new agencies administered from Washington inevitably result in waste and inefficiency. It is also a disservice to poor people to arouse expectations that their problems are going to be solved overnight, when the fact is that these problems can only be solved through a relatively slow process of education and economic development.

The problem of rural poverty is basically a problem of people whose income is low because their productivity is low. The mechanization and modern technology which have greatly increased the productivity of the more progressive farmers have intensified the disadvantages of those who lack either the ability or the resources to keep pace with changing conditions. In addition, there are many poverty-stricken rural people who are not really farmers although they produce small quantities of farm products on places that are essentially residential properties. The poverty problem should not be confused with the problem of productive commercial farmers who may have low incomes due to low prices, high costs, poor management, or adverse weather.

Price supports do very little for the low-production farmer who has little or nothing to sell; however, average income statistics heavily weighted by the low-productivity group have long been used as a justification for programs to fix farm prices or make direct price support payments to farmers. Such programs have done a great deal of harm to commercial farmers. This is nowhere more clear than in the case of cotton, where unsound programs have helped destroy a once-great agricultural industry.

In the search for measures to alleviate rural poverty, it is important to avoid the simple and easy answers which, upon more careful examination, turn out to be not answers at all. An example of this was the incorporation in the 1966 amendments to the Fair Labor Standards Act, of a requirement that sharecroppers and members of their families must be guaranteed a minimum wage for each hour worked. The purpose was to improve the earnings of sharecroppers. The effect is, however, to disemploy sharecroppers. This will not be a gradual change. It will be a very rapid change—nearly completed in a 3-year period. Some of the sharecroppers will become farmworkers. Some will become share tenants. But most of them will be forced out of agriculture. What will happen to these people is not clear. Some of them may obtain other local employment. Unfortunately, it appears that many of them will become welfare clients, either in the area in which they are presently residing, or in the city area to which they migrate in search of employment.

The extension of minimum wage legislation to farmworkers will have similar adverse effects in a number of areas—an acceleration of mechanization, a combination of farms into larger sized units, a substantial reduction in farm labor employment.

The fact that employment in agriculture varies materially with the level of wages, and the fact that productivity of those engaged in hand cultivation, harvest, and other activity is very low, should serve as a signal that simple answers which overlook these economic factors are likely to have unforeseen and undesirable consequences on those intended to be benefited by the act.

Mr. LYNN: Concern with poverty is not a new development in this country. In fact, it is an old American tradition. The American economic system has been more effective than any other system the world has known in providing opportunities for individuals to escape from poverty. It could, with justification, be called the "opportunity system."

Over the years countless actions have been taken, both by government and by private groups, to improve opportunities for individuals. An early example of government action in this field is the ordinance of 1785 which provided for the disposal of public lands and which reserved section 16 in every township for the maintenance of local public schools. This early emphasis on education for rural people was subsequently expanded and reinforced by laws providing Federal aid for the establishment of State agricultural colleges, State experiment stations, cooperative extension services, and vocational training in high schools.

Homestead laws were passed to help poor people become landowners. Land grants were made to railroads to open up public lands for settlement by providing needed transportation. Reclamation projects were authorized to expand the area suitable for settlement. Farm-to-market roads were built to improve access to product markets. A cooperative farm credit system was established to provide farmers better access to the money markets. A system of direct government lending was developed to provide financing for farmers who cannot qualify for credit from private or cooperative institutions.

Numerous other examples could be cited, as much of the legislation administered by the Department of Agriculture was enacted to combat poverty by improving opportunities for rural people.

I would like to digress from the text just a moment to indicate to you that we have farm bureaus in 2,760 counties in the United States. Most of the rural counties have a county farm bureau.

Some are not as active as we would like, but we work very closely with the county officials, State, Federal and local, in trying to deal with this problem.

I was surprised to find this in six counties that we just took at random: In one county in Kentucky—and I would be happy to make this available for the record, if you would like—there are 40 of these full-time agricultural workers in the county; in another county in Kentucky, there are 21; here is one in Pennsylvania where there are 23; and another one in Pennsylvania, 21; in a county here in the State of Virginia, 35 full-time workers.

What I am simply trying to say is the fact that I think we have enough people out here. It may be what our job is is to try to direct some of these efforts in order to deal with this problem in the manner we have attempted to describe here.

The most effective antipoverty laws have been the ones that have helped people help themselves by expanding educational opportunities and by improving the functioning of the market system. The least effective have been minimum wage laws that have reduced employment opportunities, and farm program laws that have attempted to create prosperity by fixing prices and allocating the right to produce farm products.

Just to simply add to what Mr. Triggs has already read, I think the programs, the farm programs as operated in the last 20 years, have done a disservice to the kind of people we are talking about and have tended to line the pockets, if you please, in a lot of places, of the large commercial farmer.

We are told, as you perhaps well know, many of the programs are currently being administered by the Department of Agriculture with regard to prices. As is true with respect to almost all problems, maximum success in reducing rural poverty depends on maintaining a high level of economic growth without inflation.

On the whole, to summarize, remarkable progress has been made in improving the economic and social status of rural people. In seeking to make further progress, we should (1) encourage comprehensive research into the basic causes of rural poverty, (2) build on successful experiences, and (3) stress measures which will improve opportunity and encourage individual initiative.

Mr. **Libby** (presiding): Would you like, as our previous witnesses have done, to subject yourselves to questions?

Mr. **Triggs**: Yes.

Mr. **Bonnen**: I am not sure if it is a question or not. You point in your testimony to the whole series of institutional arrangements in rural life that we are responsible for, primarily because of the great interest in productivity in rural life, which was, beginning in the early stages, of course, predominantly agriculture.

It is evident both from the hearings and also from my own experience as a member of one of these institutions, the experiment stations and colleges of agriculture, that these institutions began working with a group of people who could be described as working class in values and rural in culture. Today, this has been succeeded in being transformed in that great revolution from this group to a very middle class, relatively affluent class—that is, your successful commercial farmer is not in the poverty group by any stretch of the imagination, the ones who are really turning out the output. This has occurred. I wonder, do you really believe that the colleges of agriculture, the local county structure of the USDA, the farm organizations generally that have developed in their relationships over time—which we think all started with the working class, very low income group—and now today find themselves associated almost exclusively, although not quite—there are variations—but now associated with a very middle class, relatively affluent group.

I observe great difficulty in these institutions working with low income people in particular.

Mr. LYNN: I came up through the route of the vocational agricultural teacher and a county agent in perhaps one of the really undeveloped parts of South Carolina, and spent 15 years in the agriculture extension service in the mountains of North Carolina. I think the agricultural extension service, for example, has fallen into the rut as you have described.

It is much easier to stop by the guy's house with the Hereford cattle with the white fence to sip coffee than it is to go on to the head of the creek where the problem exists. At our meetings, at the Federal, State, and local level, we have over the years attempted to impress this fact, that the agricultural extension service is the educational arm of the Department of Agriculture and should address itself more to this problem than it has now.

For example, I believe that there is a need for better coordination of these 20 or 30 workers who are out there to direct themselves to this problem. We are attempting to do this in the best way we know how, but have not had as great success as we would like to have.

Mr. BONNEN: You are saying with the extension service your organization would encourage this organization to work with these other clientele. They are essentially very different from the——

Mr. LYNN (interrupting): The feed company and the fertilizer dealer and the salesman, and so on, are going to pretty well give the advice that the larger commercial farmer is looking for. I don't know the pedigree of you gentlemen. I assume some of you are farmers. This other group that we believe needs help, I wish I had time—and excuse these personal references—to relate to you some of the experiences in 1932 and 1933, which were not very good years, that I remember as a county agent in western North Carolina. But this can be done.

Mr. BONNEN: You were discussing earlier the fact that you really can't do a great deal in a direct way for the hard-core poor with price support programs designed for commercial agriculture, for a series of reasons. But what do we do? Here we are talking about someone—someone has used family farmers who clearly are going to be there 10 years or 20 years down the line. They are the ones turning out the output.

On the other hand, we have these people who are the hard-core poor in your rural life, many of whom are trapped. You can't reach them with productivity-type programs. In any case, there is in addition in agriculture another approximately 2 million people, depending on how you count them, farmers whose future is a great big question mark. Some people say, "Well, there just isn't any future there for them in agriculture." Others say, "You can provide them with enough education, managerial services, capital, and so forth, and put them in places as part of the commercial establishment." But they are the gray area. They are not the hard-core poor. They are in agriculture. They consider themselves farmers. They are very small. They have all sorts of problems.

Mr. LYNN: I wish we had time, Mr. Chairman, but we don't, to indicate two ways we are dealing with this now, the tomato producers, for example. We are attempting to help this tomato producer, for example, who has very little influence in regard to the prices as concerns the canner of the tomatoes.

We are trying to help him in the marketing similar to the other farm industries.

Mr. TRIGGS: There is one aspect to your first question which bears a little bit on the second question, too. There is another agency that has a major role to play, and that is the Federal-State employment service. They have begun truly in a small way, but I think they are expanding their endeavor to search out those people who are in a spot where they are, and who have a very limited future, who have a possibility of improving their livelihood some place else, and who can be benefited by a training program under the Manpower Development and Training Act.

They are beginning to do this mostly, it is true, in the city areas. I think they ought to be doing this more in the rural areas where the need is just as great.

Mr. BONNEN: I didn't mean to ask the question, What is the Farm Bureau doing? What would your organization suggest to anyone or to policymakers for the sort of programs or ideas that ought to be pushed to do something for this middle range?

Mr. LYNN: I think we need better coordination at the county level of the agencies that are out there already to get aimed at the problem we are talking about. We feel a very keen responsibility in this field.

The CHAIRMAN: Gentlemen, we have listened to a lot of testimony in the last several weeks. I don't want to take issue with you, but one of the threads that has been woven through the testimony—perhaps in your organization, maybe in a comparable organization—that we need to do some educating. The real criticism of ineffectiveness has come from people doing it on the local level. Everybody advocates, which you gentlemen did, advocates that the local leadership is not doing the thing it should do.

The criticism, the handing out of the surplus food cards to people who vote—I don't want to go into all of that—but there is a tremendous lot of documented testimony indicting our local people that perhaps we all need to do some educating. I shouldn't be preaching here on this. It is stated that perhaps we should all do some educating.

Since your organization advocated that sort of thing, and you are in a strong position, that local leadership needs to keep its house clean as well as the people up in the Federal echelons of the Federal Government.

I really didn't intend to make a speech. I thought perhaps somebody ought to bring it out. We have had so much of that kind of testimony over the last few years, ineffective local leadership. Maybe it has been overwritten or overcharged.

Mr. **Triggs**: I am sure some of the recommendations coming out of this Commission are in terms of reorienting the views of some State people and some local people who, after all, haven't been told to do anything different in many cases with respect to taking a look at the problems of this poorest part of the community as related to the problems of the middle-class sector.

Mr. **Roessel**: I had a note to make the same comment that you made, because I did feel that the testimony we had heard in the past certainly conflicts with the statement that you have given us, particularly as when you have stated on page 1, your policy statement, you said that the programs of help for the poor should be carried out by these local agencies. And you have mentioned the existing agencies. This has been just the point that many of the people who have appeared before this Commission have made in a negative way; that this is not the route which they feel in the past has been very successful in terms of meeting their needs.

Secondly—and I am sure I must be wrong, but I would like to relate to you at least my impression as I read your document, and as I look at it for the first time—on page 4 you say that concern with poverty is not a new development and it is as old as American tradition, and that we have all of the opportunities and all of this. You call it the opportunity system. I can't help but wonder when we hear the people who have appeared before the Commission and the people I am sure you have seen and I have seen, who certainly are not like us, dressed well and with plenty of food, the people in real need, and I wonder if really they would agree with the kind of comments you are making.

I feel that you must also—and I am sure it has been my misreading, my lack of understanding—but it would seem to me that you are not talking about the people we are talking about in terms of those in very great need, and the ones I don't think anyone can deny their need.

Mr. **Lynn**: We are concerned with these people, as you are; but there will always be the poor with us. And the point we are trying to make here——

Mr. **Roessel** (interrupting): Why do you say that?

Mr. **Lynn**: I think there always has been, since the beginning of time. There have been poor people. I think there are fewer poor people in America than any place in the world. We like to brag about this system that we have, and call it the land of opportunity. I think Sargent Shriver made it very clear that we had to deal with this at the local level. The only point we are making is, you can't superimpose some grandiose program from Washington down to "X" community in Kentucky and take for granted that it will succeed, unless you can get these people in the local area motivated to do the things for themselves.

That is our whole point. We apologize not at all for bragging about the system.

Mr. Roessel: I don't think we are here to wave flags. I think we are all very proud of being Americans. I think if you took your argument in saying that man never flew and therefore man will never fly, and we have the poor——

Mr. Triggs (interrupting): That is not a very good parallel.

Mr. Roessel: I think the purpose of this Commission is to see how we can reduce the number in rural poverty.

Mr. Lynn: This is our purpose.

Mr. Triggs: I think the burden of our statement is, we haven't had a system that has been successful in moving people out of poverty. This is still part of the problem.

Mr. Roessel: Your figures themselves are indicating that the figures are increasing. Your figures are the ones we are quoting right now that the number of people, the ones in this category, are increasing.

Mr. Triggs: It continues to be a question.

Mr. Lynn: Our concern is illustrated by our being here willing to put forth a point of view and offer our system.

The Chairman: We are happy to have your point of view. It takes these diverse points of view to perhaps thresh out our recommendation.

Mr. Lawrence Davis: I wonder if you have thought in terms—in viewing this whole problem—in a different sort of social and economic context. People don't any longer believe they have to be poor. That is the reaction we get. People now are prone or disposed toward using a little different tactics or approach in doing something about their problem. We could be in a position where people are willing to even resort to violent activities against our system that has been so successful.

This is the thing that bothers us. We are wondering, based upon the testimony and the information we have, looking at the whole social context, if people will not finally attack our system, which has been successful, to the point of maybe some destruction? Maybe we are too concerned about this. I don't think we can solve the problem by the idea they have been with us and they are going to be with us. I don't believe that now we can risk that. That is the problem we are faced with.

I am not trying to refute your statement, but wanting to give you the benefit of the kinds of experiences we are having here as we hear testimony all over this country. I am afraid there are many people who don't realize how intensive this thing is and how explosive.

Mr. Lynn: I think we will get further in America by playing up the system further than we have and trying to take advantage of the opportunities, rather than playing down the system.

Mr. Lawrence Davis: I am one for the system. I want to preserve the system. At the same time, people question the validity of the system where people must remain in poverty.

The Chairman: Thank you. We appreciate the testimony.

I believe our next scheduled witness is Mr. John Short. Is he in the audience?

Mr. Short.

STATEMENT OF JOHN SHORT

Mr. SHORT: My name is John Short, and I live now in Annandale, Va. However, I was born and reared in Wise County, Va. I am a married man, and I have a family of five children. Excuse me, I have to get my glasses. If I sound nervous now, you can say the situation is normal.

The CHAIRMAN: Please be at ease.

Mr. SHORT: Our greatest concern is poverty, for the simple reason that I was born and raised in it. Coming from a family with 14 children, and my father being out of work most of the time, I had little, if any, chances for an education. I wrote a script before this and made such a mess of it that I went over to get a little girl to straighten it up some. I misspelled words and used the wrong words lots of times.

The major causes of poverty, as I see it, by talking with many, many people throughout the Appalachian area and the Washington metropolitan area are—I have talked to many people throughout the whole land, for that matter, but especially in the Washington metropolitan area the 4 years I have been here, and I find that the lack of motivation and education and, sometimes, or lots of times, transportation is a cause of these problems.

There are many forms of poverty, and I find lack of industry in some areas, such as the Appalachian area. I find partiality in favor of those with more education and higher paying positions, and against the poor person. This includes:

Unfair practices of public and business officials in line of duty, such as law enforcement officers. I will give you some of these illustrations later on. A shrewd businessman taking advantage of the poor people through the credit system. And also unnecessary trips to doctors by poor people and useless prescriptions given them by doctors who aren't sure what ails the patient.

That has happened to me in particular. I have been in situations where I could hardly feed my family, much less pay a doctor bill. I had a growth on the back of my neck. You know what a throat specialist charges. He will take a paddle, push your tongue down and you say "Ah," and then he will charge you $10. That is the way he did me. For 3 years, this went on. After he looked down my throat, I guess he would figure it was nervousness, and he would tell me this anyway. But he would send me to the drugstore to spend $5 or $6 more for something that wasn't worth anything at all. I would take it for a while and see if it was doing any good at all. After they got my last dollar, the last one I could borrow, what happened? I have to go to the welfare department, and I am ashamed to. But still I must do it. I can't hold a job. Every time I stick my head down, I gag, and there is something in my throat.

I told him, I said, "Listen, doctor, I am going to tell you this to start with. I don't have any money to spare. I have had to borrow money enough to come to you, because I was choking to death. When I turn on my right side, I can't breathe. I have to wheel and roll over quick to my other side before I can breathe. They tell me it is nervousness, and I know a damned sight better. It isn't." I said, "I don't have any money to give you. There is something that has to be done." I said, "If you do this, if you can find this reason, well, I have $10 that I borrowed, and I will give it to you; but otherwise I can't pay you."

So he sat down astraddle of my knees, and he got the instrument and shoved it down my throat and looked behind it. It was a growth, he said. He pulled the instrument out. He couldn't talk good English. He couldn't talk hardly where I could understand him, but he drew me a picture. He told me, he said, "You have a large growth in your throat that will have to come out surgically."

I had been to the doctor for 3 years, and me not able to feed my family, having to spend money for these doctors. Whereas, if we had had a Medicare that would have been cutting through our payroll, that wouldn't have been such a burden on me. And these doctors couldn't have charged me any price they wanted to. They would have had to take whatever is allowed to do this, and it would have been a lot quicker, I guarantee. They don't care that they find the thing or not. What they are interested in is the money. They don't care if I get along. They don't care if my family gets an education. They don't care if my family starves. I hope that the whole public will understand these things.

I have strayed from my speech a little here.

Now here is partiality in favor of those with more education and higher paying positions against the persons who are poor. That includes the business officials in the line of duty. That is one of the things, in line of the duty of the doctor here.

Then there is businessmen taking advantage of the poor people through the credit system. I am not for the doctors using it—that is what I was just elaborating.

But the next is the inability to buy a home due to salaries being too low to guarantee payment, although they have been paying more for rent than they would have to pay on their own home. I have experienced this, too. I went to try to buy a home because I was paying $100 and more a month for rent. At that time my salary was $3,000, or something, me with seven dependents, counting myself and my wife. Not only that, I had a home back in town when I was back there, and I went busted and came here to try to work out of debt. All of my neighbors, friends, tried to get me to take bankruptcy. They tried to get me to take bankruptcy. I told them, "No, I intend to pay every penny I owed, because I owed it rightly." I did. I came here after I got disabled. I just almost killed myself to make it, working in two mines once.

After I had gotten where I couldn't make money, I was still trying. Finally my health failed. The doctor told me I would have to quit working altogether. I told him I had a young family, and I couldn't. He said, "Yes, you can quit; everybody quits." He said, "You will quit one way or the other." But I didn't buy this. I thought I was able to do work, and I proved I was able to do work, because I left the coal mines and I come to Fairfax County to work for the school board, and I worked there until I did get disabled finally, to do even this.

When I got disabled to work for the school board is when I had the growth in my throat. I had it there for 3 years, and I suppose that was part of the reason that caused my disability. I have never been strong since that. I am not strong today where

I can do the work, and here are some of the examples of what I have talked about.

Sometimes two people, one an honest poor man who unknowingly violates a traffic law, and a man with a higher paying position who violates a much more dangerous traffic law, the poor man gets a ticket while the other goes free. That one act widened the gap between the financial state of these two people. Acts of this kind have moral and psychological effects also. Now considering this type of treatment, could you ever expect these men's children to have equal opportunity in acquiring an education, though the children on both sides are innocent? The children of the poor man, however intelligent they may be, are victims of circumstances caused by an unfair, if not illegal, act of an officer in the performance of his duty. But you will see this practice right along, by the officer of the law. But because a man is in a high social standing, in a high paying position, he looks up to him, and he ignores the violation and lets him by, and the man who doesn't mean anything to him, a poor man, a nobody, he will give him a ticket and he has to go into court and pay the price.

Well, he can't—maybe the violations would be $50. They may be involved in the same thing, both of them violating the law and deserving a ticket. This poor man has to go into court and pay the fine and the other man doesn't. He knows it is an injustice, but he can't afford to pass money to a lawyer to make the other man pay, too. So he just takes over and goes down. If he is an honest man, he goes and pays his fine and goes ahead and says nothing. That widens the gap between two people's financial standing. That allows the man who was already in better position more money to feed and clothe and school his children, while it is crowding the other man right into poverty.

Now I have known this to happen with people that I have talked to, and not just one case, but case after case, and I have had many, many people tell me the same story where it has happened. So, I contend that things like this are what are the biggest causes of poverty throughout the nation today. I would say that the term partiality is a forerunner of poverty. And the children of the poor man, however intelligent they may be, are victims of circumstances caused by unfair acts of the officers.

Another example I know of is that of two lads who were both very poor and their parents could not afford sufficient clothes for them to wear to school. You know, we all show some partiality, if we aren't careful, in many ways. One of these guys appealed more to the public than the other one did. So one of their neighbors needed someone to do his chores, and naturally he picked the one that appealed to him most, though the other guy may have been just as good a worker or even better, for that matter. So what happens? One lad gets to work a few hours after school and he earns enough money to buy clothes and continue in school, while the unfortunate lad has to drop out.

Now the fortunate lad had a hard time getting an education; but the point is he did get it, while the unfortunate one did not. It was no fault of his; he was just a victim of circumstances. Now let's look at the psychological effects on the two. Later, the fortunate lad has completed his education and is now well on his way to fortune and fame, while the unfortunate lad is just barely getting along on the meager wages he can get for common labor, such as he is capable of doing. So the more fortunate lad begins to get conceited. He feels that since he, through his great ambition, was on the road to success, that if the other lad had had his ambition, he would have been in equal position. Therefore, he begins to look down his nose at the more unfortunate one in contempt and scorn.

He begins to look down his nose at the other man, who did not get the education, and who is working for common labor at whatever he can get. He begins to look down his nose at that man and think and say, pat himself on the back and say, "If he had been as ambitious as I, he would be on the same level with me." He overlooks the fact that there was only one job and it was not his great doing that got him where he was. It was the other man selecting him instead of the other man. Maybe this other man was as good a worker and as intelligent and as ambitious as he was. But the unfortunate man who didn't get the job was thrown into poverty, depressed, and by the other man, because it has made a demagog out of him. If he would have taken both guys and split this with them, then hopefully they could have both stayed in school. They would have been on equal grounds still and both men above poverty.

But that is the type of thing that goes on throughout the nation. Maybe there is a control for it and maybe there isn't, but I think there is.

The fortunate lad completed his education and is now on his way to fortune and fame while the other is merely getting along. So the more fortunate lad begins to get conceited while the unfortunate lad becomes more inferior and disgusted in life day by day because he can see why and how his fellow man got ahead of him and there was nothing he could do about it. This unfortunate lad loses confidence in himself by the help of his fellow man. Now he is in poverty through no fault of his own. The public doesn't usually go along with this fact.

Although these are not actual cases, they are pictures imprinted on my mind by talking with the people, many people throughout the land of how certain systems in our society are unfair to poor people.

I have some ideas of how we can get rid of poverty. I cannot see where we need public welfare in any form as it now exists. We would need a fund to give poverty-stricken people a boost to put them on a self-sustaining basis through the process of loans without interest.

I would say that we need a bond where we can lend people money to put them on a self-sustaining basis. When I say lend I don't mean give. I mean that you can take this back out of the salary later. I don't think they should be charged interest on this money.

I believe that that would create some initiative in people that are at this time dejected and don't show any initiative and don't try to do anything for themselves.

There is one other thing I want to get into a little bit. That is—and I have been asked this question time and again—how can you help a man that won't try to do a thing in the world for himself. Maybe his wife is supporting him. This man sets back and he doesn't try to do anything because he has no motivation.

I am going to tell you how I answered this question. I studied over this a long time before I attempted an answer because I didn't know the answer myself for a long time. After I thought it over a long time I figured the answer out.

I can see the people. I told them that the only way you can ever get a man who won't do anything for himself to do something is through education, the process of education. You have to teach this man.

The first thing you have to do is win this man's confidence. You have to do him some good turns, get him to thinking a lot of you. After you have done this, get him elected into some kind of office like the president of a civic league or something of this type. Load him with responsibility, make him feel important because, by gum, he has never felt important. He has never felt that he had a purpose in the world.

After he begins to feeling that he has got a place in the world, he will begin to do things on his own and he begins to assume responsibilities and it makes a man out of him.

The other way you can create people or recreate people that have been pushed back by some means to where they have lost all of their initiative—the only way that I see of getting people that are in this state to start doing anything on their own is to teach them that they have a place in the world and that they have a responsibility.

But you first have to get close to the people before you can teach them anything. You have to do some good turns for them in order to get close to them. I know this, gentlemen.

I am going to close my statement right here and I am open for questions and in my feeble way I will do my very best to answer any kind of question that you have. I think that as long as it pertains to poverty that I will be qualified to answer this question.

Mr. KING (presiding): You have been a very good witness. We certainly appreciate the effort which you put forth to come here. I realize getting this into written form and presenting it to us took some motivation, shall I say, on your part.

I certainly would like to open the Commission for a few questions if they would like.

Mr. BONNEN: How many children do you have? You said you were married and had responsibilities to the family. I was curious about your background.

Mr. SHORT: Will you speak loud? I am a little bit hard of hearing.

Mr. BONNEN: You mentioned that you had family responsibilities. I wondered how many children you had.

Mr. SHORT: I have five children at home.

Mr. BONNEN: How old are they?

Mr. SHORT: 12 to 3.

Mr. BONNEN: Are they all in school that are of school age now?

Mr. SHORT: Yes, sir.

Mr. Bonnen: I was wondering about this. You feel very strongly about education. What are your aspirations and hope for your own children?

Mr. Short: I have been hanging on by a thread, to tell you the truth. I have been low paid ever since I enlisted in the corps. I have my home mortgage that I have been paying on ever since I have been up here. I went one year that I couldn't pay. However, the bank didn't foreclose. They were very nice to me in this way. They didn't say anything. They didn't harass me or anything else.

I managed to pay them off one at a time until I got all except the bank which I owe $4,500. I am still paying on that plus $100 a month for rent. And it costs me close to $100 a month for heat in the winter time because it takes a lot of oil to heat a big house.

My wages are very small. At this time I think my wages are about $4,750. I believe that is what my income is.

Mr. King: Do you have any other questions?

Thank you very kindly. Would you leave that copy or a duplicate copy of your testimony with our Commission so it could go into our permanent files and to our study? Is this the only copy you have?

Mr. Short: No, sir, I have two copies.

Mr. King: They can easily run off a copy from your original.

Mr. Short: I think I left one out here at the desk.

Mr. King: Fine.

Mr. Short: I have this here that you may have if you would like. This is my original idea before it was smoothed up. I misspelled some words, and so forth.

Mr. King: We appreciate your effort, sincerely we do.

Mr. Short: I appreciate the privilege of being here very much. I wish I could talk for a long time on poverty, but I don't want to rob the other people of time who are more apt.

Mr. King: We understand. Again, we appreciate it. Thank you very much.

I believe our next witness is Mr. James Felton. He has a delegation with him, the People's Program on Poverty. Are they in the audience?

With the Commission's permission, I will ask my good friend, Mr. Oscar Laurel, to take my place for a few minutes while I go and have a cup of coffee.

Mr. Laurel (presiding): Will you please identify yourself for the record, sir? You might want to identify the people who are accompanying you this afternoon for the record, also. We will be happy to hear from you, particularly if you have a summary statement to make and any recommendations that we will be able to receive from you at this time.

STATEMENT OF JAMES A. FELTON

Mr. Felton: Thank you, Mr. Laurel, the National Advisory Commission on Rural Poverty, ladies and gentlemen. Here seated are representatives of the People's Program on Poverty, the area in eastern North Carolina.

It might be wise for me to relate to you perhaps something about how this organization has come into being. These folks are representing the people of the four counties of the Choanoke area—Bertie, Hertford, Northampton, and Halifax Counties. They heard once about the poverty program in the national War on Poverty.

Of course, they became highly interested because over the years they had worked very closely with the people. In fact, they oftentimes were the people. They were in poverty themselves, I would say. I am relating how this organization has come into being.

We had looked very faithfully to having something done in the Choanoke area about the poverty-stricken people there. For 3 to 4 years we received no tenable results. We had observed the poverty programs in other areas. I could list any number of programs which have been very effective. I have a bulletin here I will gladly show you some.

But sadly to say, in our area we did not. We had part of the Headstart program for a while which did not continue. There was one county in our area in which the money was appropriated and they turned it back. I could relate various situations of that. Therefore, these people felt that if they were going to get anything out of the program on poverty, the War on Poverty program, then they themselves would have to organize, step out to see what could be done.

So therefore, I guess that is why this organization is here today. It would not have been had it not been for this situation. Therefore, I would like to say a word about the Choanoke area.

It is a vast division of land bordered on and between Chowan and Roanoke Rivers of eastern North Carolina. It includes Bertie, Halifax, Hertford, and Northampton Counties. Though undeveloped, the Choanoke area has vast resources of land, people, forest, plenty of water with areas well suited for industrial sites.

I mentioned that because we felt industry in the Choanoke area would be a great factor in helping to get the Choanoke area out of poverty.

Like other areas of eastern North Carolina, Choanoke is poverty stricken. Statistically, it is among the poorest counties in the State with an average family annual income of $2,473. The median nonwhite annual family income is only $1,470, and one such county as low as $1,291, which is Bertie, while another is at only $1,330 per year.

The population of this area is about 60 percent nonwhite which consists mostly of farm and nonfarm folk. That is why we are particularly interested, not only because the majority are of the nonwhite group, but the fact is that this organization felt that if nothing had been done for you, if no one had given you a piece of bread, you would have to go get it yourself.

I would like to mention why we feel that Choanoke is so poverty stricken today. Farm mechanization has caused this greatly. Machines have taken over where farm laborers once did the job. Farm mechanization and the lack of industrialization of Choanoke have rendered these counties more than their share of poverty.

We have visited homes and we shall show you a short film. We have visited areas and homes where the people have 10 or 12 children and who once worked on the farm. But today this family is in an old shack. These families are in an old rundown shack. The kids are looking forward to the possibility of working on a farm.

The father is operating the machines. Where it used to take two or three families to till many, many acres, hundreds, perhaps, now one or two men can do this job. He will run the tractor. He will run the combine. Therefore, these people are still sometime in one- and two-room houses waiting and hoping there will be something for them to do to help them live.

Therefore you can see the foundation of this situation. Job opportunities for these people are very, very scarce and in many instances nonexisting. Inadequate housing, better job opportunities, recreation and recreational facilities, nursing homes for the ailing and aged, job training head the priority list of these disadvantaged folks' concerns and needs.

Housing in this area measures on an average of 60 percent substandard because of deterioration, no plumbing, and other factors. Inadequate housing runs as high as 70 percent in some instances. These houses are occupied mostly by Negroes or nonwhites. Their chances of obtaining FHA loans to better their lot is too often a zero possibility either because of lack of communication or too difficult to meet FHA qualifications.

Choanoke's people of poverty are plagued by the age-old cycle of slummy areas, poor houses, dirt streets, poor lighting, low income, juvenile delinquency coupled with illegitimacy and crime because they all go hand in hand. To stop one, the area must be corrected. Poor housing and slums will breed anything. We have seen it. We have traveled through areas and observed it. It will breed anything but good living.

High school data for 1960 shows that some 1,600 youth 16 to 17 years of age are out of school in these four counties. These youth left at times to roam the streets in search of jobs or to migrate to northern cities, big cities in which they only end up in spreading their own problem elsewhere.

Like the out-of-school youth corps that we mentioned; it could do a great deal in this particular area. We have not yet been able to get the out-of-school youth corps in the Choanoke area. Like the out-of-school youth corps, scores of other programs under the poverty war, Choanoke has not yet been fortunate enough to share. These, the Choanoke people have not had because they have been skillfully— We hate to say this but after you observe something for 45 years and everybody else has this and you don't get any, I don't know any other word to put except they have been skillfully avoided for reasons undetermined. Choanoke, for that reason, has not received many of these programs.

Today there exist scores of CAP proposals carefully drawn up by communities of folk in Choanoke, but have never been funded or even considered. The latest among these is People's Program on Poverty's proposal to organize the poor to help themselves.

Unless such grassroots organizations as PPOP and other such grassroots organizations over this country are funded, the poor and deprived and poverty-stricken areas like Choanoke may never be reached on a large scale.

We have listed four recommendations and there may be others. One, that out-of-school youth corps be funded in such areas as Choanoke. Two, that children of unwed parents be provided subsistence and the necessary aid to grow up in a normal society even if oftentimes their fathers are unknown. That such mothers where necessary be given such family training so that she may pursue a normal family life.

Three, that grassroots organizations be funded by OEO to provide a direct route to the poor and disadvantaged. This should be without power-structure control. I might elaborate on that because it is a strong feeling that if you were trying to get a person out of a rented house and this rented house is owned by the person who is making his living off it and if he is the man who is going to take care of the aid toward programs of that type, what would be the answer?

Naturally, as a rule, 9 times out of 10 he is going to be helped and the man will still be there. This is what we find. I say this without reservation, that if power structure is not controlled, then the man that you are trying to help will never get out.

Four, that the Federal Government take a second look at the housing conditions of the poor and disadvantaged, some of whom are veterans of wars and their families, to provide the housing needed to make their lives worth living in America. As one writer said, "One picture is worth a thousand words."

We have several other people here. The president, Reverend Creecy, and also we have Reverend Scott. Then we have several others which we will not call. Well, maybe we will call them as we go along.

We have Miss Newsome who is very closely— Of course all of them have spent year after year just moving, helping people before there was a poverty program. There is Reverend Leon Vone. This is Reverend Coggins, Bertie Kenney. I think maybe they would have something themselves they would like to say. I think it would be more proper than to call all the names.

We do have a very short film that you might like to see. It is not going to be the best. I am not a photographer, but I had in my mind that, rather than come here and talk, maybe a wise thing to do would be to let you see for yourselves.

Mr. **LAUREL**: What is your capacity in the organization?

Mr. **FELTON**: I am the representative speaker at this moment, as one had to be named. It wasn't because I was the only one it could be. I am also chairman of the housing program for Choanoke area. At this time in our housing program we are asking for $10 million to get the poor out of these bad and rough-looking homes.

At this time we are hoping to get a possible survey through the North Carolina fund. I might let you see what the paper said. I think this paper is documentary. It says, "Two Poverty Plans Awaiting Action."

I might mention that this organization has had a proposal to move out and help organize the poor going on 6 months and no action has been taken. This kind of makes us wonder.

Mr. **LAUREL**: Is that your testimony, Mr. Felton, that the community action board has not taken any action?

Mr. **FELTON**: That is right, yes.

Mr. Laurel: That is what we wanted for the record.

Who is going to show us the movie?

(Mr. Felton's film begins here.)

Mr. Felton: This shows that the Choanoke area has some nice motels where people could come if necessary. We have some nice roads, but we have many pockets of poverty as you can see. Most of these people didn't want us to take their picture. In most cases, our folk were in the dirt streets. This is something that plagues us.

How is it that the city fathers are able to plan a city and plan that one group of people will walk on the dirt? This is something that plagues us.

This gentleman in this house here didn't even want me to take his picture. He said, "This house isn't mine." This gentleman here said he wished he could get a house, an old man who has worked his years out. They all move away. They don't want you to see them. Then sometimes boys and kids will run and chase with you.

These are the situations. This gentleman right here stressed the fact that one day he would like a home. Then we find areas like these where the houses are right close together. Some of those have two and three families in them.

There again we see that Choanoke isn't all asleep. There are some hard-working people both black and white in Choanoke.

I think that if the Federal Government or some of the industrial people would turn some interest to Choanoke, that would mean more than anything else. I might mention that I was reading an article about the possibility of the Federal Government putting a navy yard out there.

I think it is time that the people turn to the middle east. I don't mean middle east in the other area. I am talking about the middle east of the United States on the coast. I think it is time that people do something for these people who have no jobs, who can't get any jobs. They need training. They have a great resource here, untapped, of people who are ready to do anything.

Maybe their brothers are fighting in Vietnam. One lady who said her husband was a veteran of World War II, was sitting there on the porch completely broken down and they are paying high rent.

That is about the end of this poor photography. I trust that you will get some idea of what the situation is like.

Mr. Laurel: If it will make you feel better, I think you are a better photographer than I.

Are there any questions?

Mr. Libby: I am very much impressed by your testimony. I think the story you tell is an excellent one that makes me just rather ashamed of some of the things that are going on. Yet, I do represent one of the land grant colleges.

I am really curious as to what attempts have been made in North Carolina to work with the cooperative extension service to get them to help you with your problem. Has this been tried and if so has it been an effective effort on your part?

Mr. Felton: Mr. Libby, the extension agents in our area have worked very close. Incidentally, I will tell you the reason why—because I served this country. I am a veteran and I trained perhaps some of those Marines' fathers who fight in Vietnam.

I went in the Marine Corps when the Negro was not permitted to go. I don't mind speaking because I think that these fellows who are fighting and those who have fought already need to have a chance to live and not just exist.

So I say that personally I think the extension agents are working very close. I think sometimes they are doing all they can do. I mentioned Mr. Wright who has moved to every possible length. I might say, too, that I think there is still some limitations, you know.

Mr. CREECY: I would like to say that during the last few years we have done away with the segregated extension service and all of it is into one. Since it has been combined into one, there has not been a single Negro nominated agent in the State of North Carolina.

Every agent is white. The Negro agent has to take orders all the way around from the other agent, in so much that some of them would take over the whole program and would just leave the Negro agent with a meager job to say he is an agent.

Mr. LIBBY: In your fourth paragraph, Mr. Felton, you commented on the fact that there were 1,600 youth of the 16- to 17-year-old group that were school dropouts. What percent does this represent of that age group in that area? Do you have any rough idea?

Mr. FELTON: I wouldn't attempt to answer that. I am certainly not sure. I am sure that that is too many youth. I know that.

Mrs. BALANCE: I think this may give you a rough idea. You take an entering freshman class of 165. At the end of high school the most you can look for would be 96, and that is a boom year. I think this year we have 39 seniors out of 169. Out of this number you had about 16 or 17 transferring to predominantly all-white schools, but the dropout in this section is very high and a rough estimate would be around 70 percent.

Because you can see from the pictures that were just shown of the insides of those houses there are not even beds to be slept on. One family was in the cottonfields in December with rags tied around their feet for shoes trying to get enough money to buy shoes to go back to school.

One of these school neighborhoods had 200 children not able to be fed because there were not enough funds available. The greatest amount of the money is going to personnel and to your middle-class Negro and your top level whites and the grassroots are not met. When they need to cut anything out, they cut the food out of the mouths of those children you just saw.

Mr. LAUREL: Could you give us an estimate of the number of people in the Choanoke area?

Mr. FELTON: I believe the 1960 census says 130,000 or 140,000.

Mr. LAUREL: That is for a four-county area. You say about 60 percent are nonwhite.

Mr. FELTON: Yes.

Mr. LAUREL: Are the majority of nonwhites Negroes?

Mr. FELTON: Yes, sir, they are Negroes.

Mr. LAUREL: No Indians?

Mr. FELTON: Very, very few, if any.

Mrs. CALDWELL: In thinking about a housing development, which is one of your good recommendations, I gather that most of these houses that need replacing are rented establishments.

Mr. FELTON: Yes.

Mrs. CALDWELL: So you are thinking in terms of housing developments such as the cities have, or were you thinking of individual dwellings? I am interested in how you see this.

Mr. FELTON: We don't say much about direct planning because with this kind of thing we feel that you have to have scientific surveys. We are and we have asked fund assistance in this area so we could crystallize our direct thinking about what it would be.

But we certainly foresee that some of the larger populated towns, rural town areas, would call for developments, housing developments, Federal housing developments. All of Choanoke is rural. So, with the people who are out in the various areas, we might have to take that on the individual house type.

Also included in this should be recreational centers, nursing homes. We are expecting through this to get a recreational center at least for each county and perhaps a nursing home, likewise.

Mr. LAUREL: Is there any other person from the Commission who has a question?

Mr. ROESSEL: You mentioned you have a proposal that is now submitted to the Office of Economic Opportunity and there has been no action on that proposal.

Mr. FELTON: That is the North Carolina Fund. I just want to get the words straight because the press will run you to death.

Mr. ROESSEL: Explain this to me.

Mr. FELTON: In North Carolina, poverty programs come through two channels. It will either come through the local native CAP agency approved by OEO which then goes to the North Carolina Fund and probably okayed there.

Then, of course, the North Carolina Fund has the power to fund the program. So we have been following the channels. Of course you can follow a channel. We have been following the channel for 6 or 7 months.

The last statement I got—and I have a copy of the statement in my pocket—says that the North Carolina Fund, which supposedly met January, pushed their meeting until March. So this is what we saw 3 or 4 years ago while we waited. That is why this organization is organized.

Mr. ROESSEL: In other words, you have submitted the proposal in the way you are supposed to, through an organization that has been set up, and it is this organization that has, for some reason or another, not seen fit to fund you.

Mr. FELTON: That is right, exactly.

Mr. ROESSEL: Could we have the letter introduced? You mentioned you have a letter saying there has been another delay. Could we have a copy of that letter?

Mr. FELTON: Yes, just a minute.

Mr. LAUREL: Is that the letter or the clipping?

Mr. FELTON: The clipping.

Mr. LAUREL: I think you read it to us.

Mr. FELTON: The clipping says that the North Carolina Fund is to meet in March.

You see, there is an established CAP agency in the Choanoke area. When we sought to organize or bring to bear the meeting of the people with the CAP agency who had never met the CAP agency in over 2 years, there is an amount of friction.

This, I think, is the basic issue, what will be the relationship between the OEO and CAP agency and the People's Program on Poverty because the People's Program on Poverty has made a survey of the needs of the people and they are interested in meeting those needs, whereas the CAP agency is hamstrung by the other agency.

Basically, what they have to show for their program is mahogany desks and men smoking cigars sitting behind those desks.

Mr. ROESSEL: Did they concede to grant this CAP agency in your community?

Mr. SCOTT: Yes, they have. But as of July we had not been funded. We felt that if in over 2 years other CAP agencies had been funded, why couldn't we. So we came together with the wrath and the fury of the city fathers and put everything on the line.

I am a minister. I would put my church on the line if need be, to bring to bear a meeting as to why we don't have the money. When we did that, guess what? The money came the Thursday before we met that Saturday, about half a million dollars.

Mrs. JACKSON: What is being done with the money now?

Mr. SCOTT: They do not have any program grants. Unfortunately, I think this is throughout North Carolina. Even the CAP agencies themselves are not taking full advantage of the proper program. They are getting the kind of program that will meet the satisfaction of the ruling hand of power at the present time.

Mr. LAUREL: Are you a delegate agency under the CAP or are you a separate CAP, community action program board? Have you set up your own organization or are you a delegate agency under the CAP?

Mr. FELTON: We have set up an independent agency chartered through the State of North Carolina.

Mr. LAUREL: Mr. Felton, did you get ahold of your documentary proof?

Mr. FELTON: I do not have it, but it is here.

Mr. LAUREL: I am sure we don't have any saboteurs here.

Do we have any other questions of these gentlemen, members of the Commission? If not, Mr. Felton and you gentlemen and ladies who have traveled from North Carolina, we certainly appreciate your testimony, the information you have given us. When you get ahold of the clipping, will you please turn it over to the reporter so we can have it incorporated into the record?

Mr. FELTON: I shall. I might say this. We plan to get a survey check on this housing situation in Choanoke. We mean to go anywhere it takes to get it. I think we have to think of this thing as scientific and work it out in a scientific manner. We want a survey check on the housing and we expect better housing to come to Choanoke.

Mr. LAUREL: I appreciate your candor and your appearance.

Mrs. BALANCE: I just want you to know that I am one of the old folk grassroot sisters. I want to tell you why we need houses so bad. I used to live on a farm with five tenants. All of us. Now what has happened is, one man comes and takes over the whole farm. You work by the day or you move.

When you work by the day, the children can only work in the summertime and your husband gets on the tractor and works from now on. But if you can't work by the day you just move. Where are you going to move to? The poor folks around there can't borrow any money from the bank. You can't get it from anywhere else.

If they say, yes, they will lend you something, you hock everything you got, your bed, stove, refrigerator, for a fifth of a dollar. That is all you get and you pay back $10 a month and pay it back for 24 months. We can't borrow no money because we ain't got nothing, no house.

That's what happens in Bertie County to poor people.

Mr. **LAUREL**: That is most revealing and shocking information. We are glad to receive it in the record. We appreciate your attendance and candor. We thank all of you for what you have put forward this afternoon. Thank you very much.

The Commission will recognize Edna Tolson from Brandywine, Md. I will call for order at this time so we can hear our witness. Is that Mrs. Edna Tolson?

Mrs. **TOLSON**: Yes.

Mr. **LAUREL**: Will you please, for the record, give us your name, address, and whom you represent, if anyone?

STATEMENT OF EDNA TOLSON

Mrs. **TOLSON**: Edna Tolson. I live at Box 269, Route B, Brandywine, Md. I am not sure who I represent. I started out working for CAP in the rural area and then I got hired by the CAC committee in Prince Georges. Since we work so closely together, I can probably speak for both of them.

Mr. **LAUREL**: Can you give us a summary of the testimony you would like to give us? Have you provided a copy of your report?

Mrs. **TOLSON**: I have not. I will leave this one. Do you want my summary first?

Mr. **LAUREL**: I would appreciate it if you would. There may be some questions in connection with some of the proposals or suggestions you may be backing.

Mrs. **TOLSON**: The problems of rural poverty are deep rooted in the thoughts, lives, and customs of the community. Often the general public has opinions which are unfounded. The popular opinion is that the poor are shiftless, lazy, and not desirous of a better way of life or simply that this is good enough for them.

This is very wrong thinking. The poor need and desire the same things the affluent need to make them happy. A person working in a better environment cannot help but desire a better way of life when a comparison is made to their own. However, the handicap is poor education, lack of transportation and employment, and neglect by our government—local, State, and Federal.

Even the poor people in a poor community are exploited by those who do get ahead. I am thinking if the poor person could get information of all kinds, understand their relationship to people and programs, be encouraged to vote and participate in community and government affairs, grasp at the new opportunities being offered, this would help a lot in alleviating rural poverty.

I feel the government must demand that the poor be involved as much as possible regardless of public opinion.

Mr. LAUREL: Mrs. Tolson, will you open now for questions at this time? I believe you are a neighborhood worker, is that right?

Mrs. TOLSON: Yes, I am.

Mr. LAUREL: Do you work here in the Washington, D.C., area?

Mrs. TOLSON: No, I work in rural areas.

Mr. LAUREL: In rural areas?

Mrs. TOLSON: Yes, Brandywine, Westwood, Cedarville, and Aquasco. If you are familiar with Washington, it is out Route 5, going south, the southern end of Prince Georges County.

Mr. LAUREL: In the State of Maryland?

Mrs. TOLSON: Yes.

Mr. LAUREL: Are there any questions on the part of the Commission?

Dr. Davis?

Mr. LAWRENCE DAVIS: Your last statement—I think you said that you feel that the rural poor should be involved as much as possible regardless of public opinion. Could you elaborate on that a little bit? Would you repeat that statement, first?

Mrs. TOLSON: I feel the government must demand that the poor be involved as much as possible regardless of public opinion.

Mr. LAWRENCE DAVIS: Regardless of public opinion. Do you sort of have the feeling that public opinion is opposed to the involvement of the poor? That is what I was trying to get at.

Mrs. TOLSON: Personally, I think so. Do you want me to tell you why?

Mr. LAWRENCE DAVIS: Yes. We are getting two sides of this thing at times, but I think the predominance of testimony is to the effect that the poor should be involved more and really at the planning level, and so on. You seem to corroborate that view, but occasionally we hear somebody say something different.

Mrs. TOLSON: Probably if I told you why—I summed it up this way. If you heard the testimony first I could answer the question later.

Mr. LAWRENCE DAVIS: Go ahead.

Mrs. TOLSON: The reason I feel that the poor should be involved regardless of what public opinion is, is that this is a brand new concept. People have already decided people are poor because they wanted to be this way. Very often people feel that because I have made my way and gone this far that the next man can do it too. Yet they haven't taken into consideration that maybe the next man hasn't had the opportunities because he could have had illness, large family, all of these things.

All these things may have put him at a disadvantage. Where they have come out of school with a good education, the white has had all of these things. He has never had to get them. The poor in the rural area has not had these.

Mr. LAWRENCE DAVIS: You think that involvement of the poor would help analyze the problem and the why of poverty and probably bring about more effective solutions and better understanding on the part of the poor as well as those who are more affluent?

Mrs. Tolson: I think the poor need to know that this probably will help them. I get involved in it. I learn from it. Each time you learn something it helps. The person who is affluent probably doesn't understand what poverty is all about. He has never been in it. The poor can tell you about the poor better than the rich can.

Mr. Ford: From some of the testimony the general view is that yes, the poor obviously understand their situation much better, but the kinds of solutions that they are able to offer are frequently not very good ones.

In your working with these people you found that they do have good ideas as to ways in which their problems can be solved other than general ideas of more government aid or something of that nature.

Mrs. Tolson: I don't know how to answer that because they probably can't adequately express themselves. What they think is that they need a house here and now. Maybe this isn't feasible right now. But I think they need to be assured that if housing is what they need that there are programs that they can follow through or that the government or some power structure is interested in developing this housing.

If you can make them believe this is coming. They may not be practical in their thoughts because they have never been trained, but a man knows if he needs a house and if he needs a job.

Mr. Hutchins: I would like to ask Mrs. Tolson what kind of a rural area are you in? Is this a farming area or urban workers?

Mrs. Tolson: This is a farm area. The whole business is farming. People usually work in the courthouse in Upper Marlboro or in other industry here in Washington.

Mrs. Jackson: Have you worked as a neighborhood worker in the ghettos? I want to ask you the differences in the hopes and aspirations of the people who live in this farm area and work, as you say, in the city sometimes. They do both. What about the thinking of the people in the ghettos in the city and the ones on the fringe of the city. How do they compare or contrast?

Mrs. Tolson: I haven't worked in any of the ghettos in the city, but I have been in the CAP area, Prince Georges, and talked with the director there and have heard them at the difference conferences. The problem seems to be about the same, poor housing, lack of sanitation.

Only government agencies can really do these things because they have money. I think poverty in the rural area is a little more extreme simply because there is no transportation and everything is so far apart. I know because myself coming out of a county high school when I did, I couldn't get a job there. I came to the city and all I had to recommend me was a home economics teacher from high school. Domestic work was all I could do.

Mr. Laurel: Are there any other questions? If not, Mrs. Tolson, we appreciate your appearance. Can you leave your copy behind so it can go into our record? We would appreciate it.

The Commission now will recognize Miss Barbara Moffett. Can you identify yourself and give us your address, whom you represent, and the people who are accompanying you this afternoon?

STATEMENT OF BARBARA MOFFETT

Miss **Moffett**: My name is Barbara Moffett, secretary of the Community Relations Division of the American Friends Service Committee. I am accompanied by other members of the staff of the Service Committee: Pamelia Coe, who is the national representative of our American Indian program; William Channel, director of our east coast migrant leadership education program; and sitting in is Scott Nielson who is the director of a community relations program we are running in rural southern Pennsylvania.

We appreciate very much being asked to testify here and we have submitted our testimony to your staff. It is rather long and detailed. What we would like to do here is to put some highlights before you. I have a brief summary.

Mr. **Laurel**: Would you be nice enough to give us a summary?

Miss **Moffett**: I am particularly anxious to do that.

The Service Committee, as you know, has worked on the problems of poverty around the world and many parts of this country. Right now, through the division we represent, we have three groups of staff members who had experience that supplied us with our recommendations, support of our recommendations.

One group works with farmworkers, settled or migratory, in California, Florida, Pennsylvania, New York, and New Jersey. Another group of staff works with Indian problems in the areas of California, Washington State, Montana, and Arizona. We have another group of staff who works in the Deep South on a wide range of problems which revealed to us very much the related evils of poverty and discrimination and the need to tackle both of those together.

I will speak quickly, reviewing our main points and then hope the questions will call for our experience.

We have seven sections of recommendations.

The first one urges the Federal Government to commit itself to an attack on poverty which recognizes the need for massive government resources of funds and of technical assistance directed to the rural poor; which recognizes the need for broad planning and policies that go with that assistance so that those benefits get to those who need them; and, finally, which recognizes the need for maximum development of local leadership and organization through encouragement of independent, locally initiated and administered programs.

We listened to some of the recent testimony with real interest. I think it is in support of the final point of this first recommendation. The first two points are important—massive resources; need for planning and policies so that the aid reaches those it is intended for.

But in our testimony, we would like to emphasize the final one, the need for developing maximum local leadership, the need to encourage independent, locally initiated and administered programs. We have seen the trend and the pressures, which were acknowledged by Mr. Shriver earlier today, to back away from programs which stress the organization of the poor, putting power into the hands of the poor.

Our experience tells us this is a bad sign and the present packaged programs that eliminated development of local leadership and the involvement of them will, in our judgement, spell defeat for any attack on poverty.

We have seen local leadership thoroughly involved and developed and therefore able to carry on programs locally. We have seen the opposite side of this coin, too. We have seen "top down" implementation of programs without full participation of those whose needs programs are designed to meet. And we see it is not successful.

We see the channeling of programs through previously uninclusive and undemocratic bodies which also often defeated their purposes.

We have a very short piece of experience to share here. It is an adult education program on the San Carlos Apache Reservation. VISTA volunteers were working under the direction of Indian committees and it was successful. When the program was taken over by local school districts, Indian participation quickly disappeared.

We listened with interest to the discussion during Mr. Shriver's testimony and some of this testimony from eastern North Carolina to the question of inclusiveness of a group attacking poverty to the requirement that they be broadly representative.

Our experience suggests that any rigid requirement of broadly representative groups will stymie local initiative and involvement of the poor in many situations. We are not only thinking of the Deep South. We see it in other parts of rural America.

We were glad to hear Mr. Shriver defend more flexible interpretation of that rule, and it certainly needs to be.

The second recommendaton has to do wth the need for a steady income and the need to participate in decisions affecting the availability and the nature of such income. We are talking about access to the means of production and equal access to jobs. We are talking about land for farming and supplementary income, fair adjudication and protection of water rights, capital, and direct loans at little or no interest.

We are talking about small, locally relevant, nondiscriminatory industries. In the Indian field we are asking that a careful look be taken about Indian hunting and fishing rights.

The third recommendation, which can be supported with very eloquent testimony by my colleagues, has to do with housing which we know several of the more recent people who appeared before you today mentioned.

It is composed of such factors as lack of access to land and unavailability of loans. We would like to emphasize another aspect of that problem, that is, the prevalence of employer-owned housing which puts severe restrictions on the freedom of farmworkers.

As far as we can observe for farmers, employer-owned or controlled housing creates a condition of 20th century serfdom. Freedom to seek change in working conditions, to participate in community activities, to receive community services, to register to vote, to enroll children in the school of your choice, to change your job—all of these things become myths when the threat of eviction and the loss of job prevails as it does in the case of employer-owned housing.

We note it is an issue not recognized in many places. We are aware that already in the 90th Congress a bill to provide "rapid tax amortization for farmer-owned housing for farmworkers" is introduced by a good friend of farm labor. We have several specific recommendations in this field.

The first obviously follows from the statement. That is the elimination of government support for employer-controlled housing. Another recommendation flowing from this is Federal action that would make available adequate housing. A third recommendation has to do with funding an expansion of the rent supplement program to meet the needs of rural areas.

Our fourth area of recommendation has to do with rural education. It is very obvious that rural education needs to be upgraded if the rural poor are to be given one vital tool to break out of poverty.

Rural schools offer fewer courses, less adequate equipment, and often limited and secondhand books which are outdated. Our work in the South reveals to us that needs and inequalities found generally in rural systems are compounded particularly in the South where the dual school system is still the predominant pattern in spite of the Supreme Court's school desegregation decisions.

It is our clear recommendation that the dual school system be abolished absolutely by creating equality in the educational system.

Our fifth recommendation has to do with services. It is very obvious that the rural poor need accessible services—aggressive employment services; welfare offices; medical, cultural, and recreational opportunities; credit; and legal aid. We are calling in our report to you for a dispersal of services—for example, an employment service that goes to the people, especially to those who need encouragement through years of experiencing failure or rebuff.

We are asking for area review or appeal boards that include the poor in their membership so the poor will have some recourse or means of appeal. Many local offices providing services are under the control of those in the status quo and therefore do not represent a real service to the poor.

Our sixth area of recommendation calls for expanded, nationally uniform, and equal coverage under social welfare laws. This has to do with the extension of social security, coverage of farmworkers under unemployment insurance, the inclusion of farmworkers under the National Labor Relations Act.

We are recommending that the whole area of public assistance be reviewed and that Federal contributions be increased pending the enactment of some form of income guarantee.

Our seventh recommendation and our final one has to do with Indian experience. We are calling your attention to the fact that experience of Indian tribes on reservations has both negative and positive lessons to teach concerning rural poverty. We are urging you to heed such experience as tribes themselves have shared with you.

We are very aware from our study of Indian problems and from our work with Indian people that the problems of Indians are complex, that they have been prone to have oversimplified solutions applied to them, none of which have worked over a period of history.

We hope you will avoid the pitfall of easy answers. We are aware that the programs of the OEO have been highly successful on most Indian reservations. We want also, on closing, to commend the Bureau of Indian Affairs for its newly developing national policy which emphasizes community development and education. We hope Congress will appropriate enough money for them.

In a very brief conclusion, we want to say that no single uncoordinated pop shots at the problem of rural poverty will solve the problem. They will probably just salve our consciences. We want to underline something that was brought out in the last testimony; that is, in attacking poverty, we still too often rely on the underlying belief that people are poor because of their own inadequacies.

Our experience indicates that if we are to have a great or good society we must so restructure our society and its institutions as to meet the needs and aspirations of people rather than continue to try and change people to fit the needs and capabilities of the institutions we have created.

Mr. LAUREL: That is nice testimony, Miss Moffett. The thing that really amazes me the most is actually that your recommendations are pretty well in keeping with what we have learned as members of the Commission in the testimony.

For example, on the problems of the American Indian when we were in Tucson, the problems in the Delta area when we were in Memphis, and of course, now.

You have presented an amazing report. We will appreciate a copy of it to be submitted here with the Commission.

We are open now for questions from the members of the Commission.

Mr. Woodenlegs?

Mr. WOODENLEGS: I don't have any questions, but I want to thank the American Friends Service Committee for the help they have given to the Indian people especially in Montana.

About 5 years ago, I took it upon myself to have 20 high school students come to the reservation, 10 boys and 10 girls. My people backed off. If people come to their home, they shut their door. But they broke a lot of barriers between the white and the Indian.

We danced the Indian war dance and they danced the white dance. I think they were making up the twist. I just wanted to thank them for the help they have given the Indian people. They helped lift the load. They don't tell the people, "You should do this," but whatever the people are doing, they help. This is good.

Mr. LAUREL: How much harder it is to break barriers than to break necks. I am very much aware of the work that your organization has done among the poor, among the Mexican Americans, and also the tremendous cooperation that your organization has given to some of the ethnic groups. We are very much concerned with the same problems you are.

Mr. HUTCHINS: I have one simple question. I had the impression that employer-owned housing was on the decrease. For example, in mining camps in eastern Kentucky there are two or three that I know of which have been sold out to individuals rather than to the company. Is this untrue elsewhere?

Mr. CHANNEL: I think this tends to be untrue as far as migratory labor, particularly. It is true in Florida where your migratory labor remains for 8 months in one spot. Therefore they really couldn't classify as permanent residents.

Then there is another aspect of employer-owned housing which comes into this. I could cite as an example the various housing authorities in Florida which are controlled by the city such as Pompano Beach, Bell, Pahokee, and South Bay. These were originally built as Farm Security Administration camps back in about 1940, put up as temporary buildings.

Shortly afterwards, there was pressure put on Farm Security to give these up and turn them over to local ownership. They were taken over; and like all housing authorities, are made up solely, I would say, of those who owned large farms in the area; they are on the board of directors.

These local housing authorities do not even make an annual report to the city commission that appoints them, in many cases. It is impossible for anyone else to get in annual reports. They have deteriorated over the years. They are in a miserable condition. Sanitary facilities are practically nonexistent and in very bad repair so that this is another type of controlled housing which falls under the name of local housing authority.

Mr. LAUREL: Are there any other questions?

Mr. LAWRENCE DAVIS: I wanted to ask Miss Moffett a question so I can be sure I am clear on one statement. I believe you spoke strongly in favor of involvement of the poor in solutions of their problems. I believe, though, you warned against a rigid structuring. Am I correct? Did I infer correctly that this should not be so rigid and should be more flexible?

Miss MOFFETT: I think that is an interpretation that is perfectly accurate. The thing most on my mind was the rigid requirement of broad recommendation excluding the power structure type before something can happen. I am thinking of our experience in Alabama where there aren't enough poverty programs going.

Mr. LAWRENCE DAVIS: We have had this expressed in different ways. The other thing was the guaranteed income. You feel that should be a federally subsidized program.

Miss MOFFETT: I don't know whether we have thought all the way through on that. We are sure you need something.

Mrs. JACKSON: Miss Moffett, your very last statement has always challenged me. I think, summing it up, it means you meet the poor on their terms somewhat. How do you get a person with middle-class values meeting the poor on their terms? How do you achieve that?

Miss MOFFETT: First I am going to ask any of my colleagues.

Miss COE: May I speak to that? I know we felt that we gained a great deal more from the North Cheyenne Tribe than we gave. One of the ways was the education of middle-class people who went and made the effort to try to break the barriers. We learned a great deal more in that time than we could possibly have given.

Mr. NIELSON: I am director of the farm labor program there. When I started 2½ years ago, I didn't know everything about farm people or farm labor programs. I moved into a migrant camp for a month in Pennsylvania and worked as a potato picker.

Before moving in there I felt quite confident in myself, being able to do a complicated job like teaching college, and so on. After being there for a month and seeing migrants beat me at checkers and generally make a fool of myself, I can see that if you are asking someone to play a game where you set the rules ahead of time, you can win at this game. But if you have to play the game where someone else sets the rules, the other person is likely to win.

I didn't do very well in that migrant camp.

Mr. **LAUREL**: Miss Moffett, would you like to give it a try?

Miss **MOFFETT**: I think my friends have spoken eloquently.

Mr. **LAUREL**: I think it is a good question, Dr. Jackson. I think you sometimes wonder from the standpoint of involvement that is so essential. I believe we have learned from our previous testimony, for example, that the requirement is that at least one-third of the poor participate—isn't that correct?—on the structures of the CAP boards, and so on, but that couldn't preclude a given community giving a little more or a better chance or opportunity to the poor to get more involved, to get them to thinking out their own needs, and so on.

I was also very glad to hear the particular discussion you had to make with reference to that. I think that is probably what Dr. Davis had reference to.

It has been most illuminating and we appreciate your testimony and the remarks you had to make.

Before you leave I would like to ask the young lady who worked with the Indians a question. Did you work in the southwestern part of the United States?

Miss **COE**: I worked at the San Carlos Apache Reservation in Arizona.

Mr. **LAUREL**: What part?

Miss **COE**: Middle Arizona, due east of Phoenix.

Mr. **LIBBY**: Apparently you have worked with the Penobscot Indians.

Miss **COE**: We have a staff member who is actually delegated to the Indian Commission of the State of Maine to try to help the State develop a low cost housing program for the Maine Indians. Before that, as on many reservations, we have a history of relationship through work camps going back some 10 years.

Mr. **LAWRENCE DAVIS**: I imagine we might take note of the fact that a compliment was made about a new approach by the Bureau of Indian Affairs. They have not always been so complimented.

Mr. **LAUREL**: I was just about to mention that. We recognize that they have probably been working under most difficult circumstances. I think the most difficult is the lack of funds, among other things.

I know our Commissioner Gay here, our good friend Connie B. Gay, was very shocked as to the condition that the American Indians have to live in whether on the reservation or off the reservation and still have the Bureau of Indian Affairs allowing some activities to take place that certainly any person would frown upon, to put it mildly.

Do you have any statement to make in connection with that?

Miss **MOFFETT**: I would have to admit that I couldn't have made such a glowing statement about the Bureau of Indian Affairs a year ago. We haven't seen the results yet. As far as the handicaps under which the Bureau of Indian Affairs has worked, I think there have been two very important handicaps.

The first one is national policy itself that is set by Congress, not the Bureau of Indian Affairs. Practically all of the history of the Bureau of Indian Affairs, the policy, whether implied or stated, has been to somehow force American Indians to lose their culture, stop talking their languages, and assimilate into the non-Indian society, preferably to move off the reservation.

This policy has not worked and I see no signs that it ever would. It is a good way to make a lot of Indians very miserable. Certainly they have been handicapped all along by lack of funds.

Mr. **LAUREL**: Thank you again.

Mr. **KING**: Is Dr. Bateman in the audience?

You may proceed when you are ready. Would you state your name and background briefly before you start in? If you have a written testimony, I trust you will have a copy for the Commission?

STATEMENT OF M. MITCHELL-BATEMAN, M.D.

Dr. **BATEMAN**: I am Dr. M. Mitchell-Bateman, director of the West Virginia Department of Mental Health. We are indeed pleased to have an opportunity to add our words and thoughts to the testimony being offered to the Commission on rural poverty.

We are vitally concerned, of course, with the mental health leagues we feel are to be found in many other States.

I come from West Virginia. Our State is predominantly rural, and a large number of men, women, and children still live in poverty, despite the recent improvements of the economy of the state.

I want to make clear at the outset that I consider the rural areas of our State great potential assets. In a world of expanding populations and choking urban growth, it is good to live where there are some open spaces. It is good to have one's children grow up close to nature.

We are greatly concerned that so many of our rural residents are not self-supporting, and that they do not have access to essential services, but we must not try to force them into cities which are already overcrowded, and in which many of the sources of their strength would be lost.

A large number of men and women from West Virginia, including an increasingly large number of our younger, productive citizens, move to the urban centers of the East and Middle West. Some of these migrants are precisely those best able to assume leadership in their home communities. These are lost.

Others, less well-prepared for city life and who are best suited to community life, are unable to find places for themselves as self-supporting, self-respecting citizens. They become public charges and, often, return to our State broken in spirit.

In spite of improving economic conditions and generally more optimistic prospects, problems remain, and from the point of view of the mental health of rural West Virginians, these problems, we feel, are particularly serious.

Although the exact relationship between low income and mental illness has not yet been established, we do know that the poor are especially subject to a variety of mental disabilities.

These disabilities are accentuated when the problem is not recognized, or when treatment is delayed or simply not available.

For example, during the summer of 1966, the West Virginia Department of Mental Health made a special study for Gov. Hulett Smith on the operation of Project Headstart. In visits to more than 100 classrooms around the State, our staff members were approached by a large number of teachers with appeals for help. Many 5- and 6-year-old children from economically deprived families already presented a variety of emotional problems, some of such seriousness that their teachers felt unable to deal with them and wanted outside professional consultation. One teacher commented, "This child is sick—nervous and excitable and strange, just like his brothers and sisters. I couldnt't get any help for them, and I suppose I won't be able to get any help for this one either."

I wish I could say we did help this child and all the others like him who need help, but your Commission was established to face facts, and I am here to give you some facts. In our State we have 55 county school boards; only two or three have staffs which are able to diagnose even the most prevalent emotional problems of childhood and adolescence. There are long waiting lists, and after diagnosis, little likelihood of treatment being made available in time. A certain leveling takes place here: The economically deprived are not getting treatment, but even those from families with higher incomes may never see a professional mental health worker, either.

In one of our State mental hospitals we have a special unit for severely disturbed children. This single unit—subsidized, incidentally, completely by Federal funds—can treat only 40 children at a time. Any child who is so severely ill as to require hospitalization will be a patient for many, many months. You have no rapid turnover among these patients, and 40 beds will meet the needs of very few youngsters. Outside this special unit, other children are on regular wards and cannot get the kind of intensive attention we want desperately to provide. Often, it is only the lucky ones who get to the hospital or to an outpatient psychiatric clinic. We know there are sick children—very sick children—in our rural areas who are receiving no professional help, largely because their needs are not recognized.

Another group of special concern to us is the aged, particularly those with low incomes who are living in the more isolated rural sections of our State. The number and percentage of elderly in the State's population has been increasing. In addition to the problems of housing and nutrition, we find, of course, among the elderly a disproportionate number with little education, few marketable skills to improve their limited financial resources. Years of living in substandard housing, on inadequate diets, a lifetime of medical neglect—all have taken their toll. Because of the outmigration of the young, a great number of elderly in Appalachia are without normal family ties, thus hastening the process and discomforts of aging, and forcing them to depend on the community for even minimal needs.

We shouldn't let a person die by himself, whether it be in a shack in the woods, or in a lonely room in a ghetto tenement. Too many of our elderly people are sent—out of kindness, you must believe me—to a State mental hospital, for there are few other places in the State to care for an elderly, indigent, probably crotchety individual whose family is no better off than he is. I often wonder why we can't help him spend his last years in dignity, among friends, in more familiar surroundings. Some have spoken of foster home care programs for the elderly.

Now let us take a brief look at a mental health problem which seems to be accentuated by a condition of poverty in rural areas. I speak about mental retardation. There are no adequate studies of the actual incidence of mental retardation in an area like ours, but experience has shown that there are relatively more mentally retarded persons in deprived, isolated rural areas than are found in urban areas. In searching for reasons, we find ourselves in the middle of a vicious circle: Poverty contributes to mental retardation, mental retardation contributes to poverty. Rural areas with a high percentage of families living in poverty usually lack appropriate medical facilities for the full and healthy development of the individual. The mother may be suffering from malnutrition and the usual difficulties that occur during her most susceptible periods of pregnancy. She may be weak from a succession of illnesses which have not been treated, and from a series of pregnancies for which she received inadequate prenatal services, if any at all. In this kind of situation, it is more likely that she will have a retarded child than if she had had the advantages of urban, middle-class medical care.

We are also extremely concerned about the kind of retardation which can be traced to cultural deprivation, but which is almost indistinguishable from retardation stemming from other causes when a child is not helped early in life.

In this connection, let me say that some of our needy rural counties have very high rates of persons admitted to State mental hospitals, including mentally retarded and mentally ill, but we need further research to determine whether these rates reflect a population more truly disturbed than national averages, or whether the high rates merely indicate that the community offered no alternatives to hospitalization in a State institution.

With this brief outline of only a few of our concerns in terms of the high ratio between poverty and mental health, we would like to tell this Commission briefly how we would hope to serve the people of West Virginia, and the needs that are paramount in terms of attempting to meet these problems in all areas.

We, of course, like many other States, are planning the development of comprehensive community mental health services. Of course, we plan these centers to be in urban areas—or what we call urban areas in our rural State, for we have only eight cities with more than 20,000 residents. To reach people in the more remote rural areas, we plan to have traveling psychiatric teams consisting of a psychiatrist, psychologist, psychiatric social worker, and registered nurse who will be available at limited times, perhaps once or twice a month as a minimum. We would hope in many instances as often as once a week.

At the same time, we are planning services for the retarded throughout the State. It is clear that the provision of more institutional beds will not provide an answer to this problem. We want to develop a network of community facilities which will enable us, first, to identify the retarded population, to provide consultation to families locally, and to provide training, sheltered workshops, and other programs which will enable large numbers in this group to become at least partially independent and self-supporting. We are concerned in terms of perpetuating this situation and thus getting at its causes. Such an approach, of course, will require not only an increase in services designed specifically for the retarded, but increased programs in maternal and child health and job services, education, welfare, and other services.

It is the goal of the Department of Mental Health to make mental health professionals available to every county school system to help teachers to identify and to work with disturbed children. For more intensive psychiatric intervention, patients would be referred to the nearest mental health center.

If you ask me when these programs and services will become a reality, I can tell you only that our plans are made and that we are moving as quickly as funds and manpower permit. Two centers are already well into development. Support for the programs has been most vocal from the Governor of West Virginia, from State and county officials, the medical profession, school and welfare personnel, and the public. I would emphasize local. Getting the support translated into funds is a different matter. But the shortage of manpower, as to specialists in particular, of course is another factor that has to be overcome in the rural areas. Communities in our state with an average family income of less than $3,000 a year have discovered with great surprise that even the offer in the realms of $25,000 a year will not produce a psychiatrist, nor persuade a doctor's wife to move into an area where schools are poor, the nearest theater is 20 miles over rough mountain roads, the nearest specialty dress shop twice as far as that. What can we do, then, with this problem of getting the manpower to come into rural areas, and for adequate funding of such programs?

Most rural communities do not need to be told that mental health services would help their people. They want to have them. They need professionals to counsel a disturbed child, to help ease a young mother's severe depression, to be concerned with a 40-year-old man who attempted suicide after being laid off by the mine in which he had worked since he was 14 years old. It is difficult to explain to a community which wants and needs help why we are not able to deliver.

We are attempting, therefore, two programs. Both of these are now funded under present poverty sources of funding. We also asked for a program by the Office of Economic Opportunity which would help provide technical assistance to communities which recognize this need for the mental health services, but which are not able and have not the resources to develop their own programs.

We find, for example, that there are many communities that have community action groups going on—they want to write into their community action programs a health component, and they are particularly interested in the mental health component. But there is a scarcity of manpower to provide them with technical assistance to actually get these components written in, to get them to the point where they can be funded and then try to deliver some services.

Our program for technical assistance was approved by our regional Office of Economic Opportunity, but it has not been funded. By the time it was to be approved, it had already committed its funds elsewhere. So this proposal is still on paper, and our staff—when I say "our staff", the staff for the Department of Mental Health which is attempting to stretch itself to cover the area—is frankly not meeting the need and providing this technical assistance to the communities.

Even with traveling psychiatric teams, we were unable to develop these as we had proposed. There must be the local mental health workers or such a team is not effective. So we hope to be able to train our rural people, especially those with high school educations, to be on-the-spot generalists who know what to do until the doctor comes.

Indeed, if necessity is the mother of invention, the one encouraging note in the manpower picture is the possibility of recruiting local people who will obtain training and become mental health workers in their own communities. Many of these mental health workers will come from the ranks of the rural poor, themselves.

There are two special programs now underway in mental health which offer promise of better services for some of the economically deprived in our State. We see these as essential forerunners of more permanent programs. Both are funded in greatest part by the Office of Economic Opportunity.

The first is VISTA, Volunteers in Service to America, in which 105 volunteers from all over the country are working in our State hospitals for the mentally ill and mentally retarded, and in community mental health programs. Some of these volunteers are learning first hand, and for the first time, the problems of rural poverty, for they daily share the lives of families in the most underprivileged areas. One VISTA volunteer called on a young mother recently returned from a mental hospital and found her extremely agitated. She was not well enough to can the fruits and vegetables in her small garden, but knew the family would go hungry if the work did not get done. The volunteer, who had grown up on a midwest farm, spent the day putting up the fruits and vegetables while the whole family joined in. This simple act of loving intervention by the volunteer calmed the mother, and enabled her to receive further treatment at home instead of returning to the hospital.

We hope the VISTA program will expand still further. We want and we need these volunteers in the mental health program in West Virginia. It is proving to be a program from which we can learn a great deal.

The second special program now underway is the foster grandparent program, in which men and women 60 years of age and over work with emotionally disturbed and mentally retarded children in two State hospitals and in a day care center for mentally retarded children. Ninety-eight "grandparents" are now on duty. The benefit to the children in having these older men and women personally assigned to them was immediate and dramatic, but just as important was the effect on the men and women themselves. Many are from rural areas, and, before the program, in the words of one, "I just couldn't believe there was nothing else for me to do in this world." With the foster grandparent program, there is a great deal for them still to do in this world. If you doubt the value of the program, I invite you to drop by our hospitals and observe the grandparents as they work with the children, as they greet and are greeted by the hospital staff, and as they make plans for the next day's and the next week's programs. One man 84 years old walks several miles each day from his rural home to reach a busline, and then works and plays vigorously with the child assigned to him. During bad weather he didn't miss a day. "His" child needed him too much.

I have outlined some of our problems, and some of the steps we are taking to meet them. Our needs are many. We have started with strong measures. It is important that we look forward to carrying on these and to extending them. These resources at the present time, as you know, do not match our needs. I am sure it is true all over the country.

Our State legislature, now in session in Charleston, has been extremely sympathetic to the entire mental health program of the State. There is a keen awareness of responsibility for the poor. However, the demands on the State's budget are very great. Welfare, education, roads—all are claiming larger shares of the limited number of State dollars. As one of the poorer States, we have had to take innovative steps, just to claim our total rightful share of Federal grant programs. We find very often that the Federal grants, of course, in their attempting to be spread out over the country, we feel, do not give sufficient weight to the needs of an area where the population is dispersed rather than concentrated.

We must look to the Federal Government for continued participation in programs which mean life and health for the poor. It is not possible for a State such as West Virginia to develop and maintain these essential programs without Federal support and participation. We must have the cooperation of Federal, State, and local governments, and of the public, for adequate mental health services.

West Virginians are compassionate, proud, hardworking people. They have come to realize along with many others throughout the country, and as we have heard earlier today, that in order for any program to be fully responsive for the needs of the people, it must be planned and developed and nurtured through the involvement of all persons concerned. That is, the elected leadership at all levels, the professionals who must deliver services, and the recipients who, after all, know best what is hurting and, most of the time, why. You can count on West Virginians to want to cooperate in the area of any basic programs that are developed and are being developed for the betterment of their health and welfare services.

It is because of our special concern for the rural population that we are pleased with the hearings your Commission on Rural Poverty have been holding. We realize there is, sometimes, a tendency in many places to forget the particular problems which arise when people are dispersed, when needs are great but services are far away. We feel that urban and rural areas are interdependent, and should be involved in an integrated planning activity.

My final plea or my total plea, I suppose, therefore, in view of the background material, is that this Commission strongly recommend that the experience gained now or the experiences that are now being gained through the many poverty programs be integrated and translated into a course of procedures, guidelines of ongoing Federal, State, and local agencies.

My further plea is that we not fumble the ball here by doing too little too slowly for the areas that still contain a significant reservoir of human resources.

We thank you very much for this time.

The **CHAIRMAN**: We thank you, Dr. Bateman. You are doing a tremendous work in the field which certainly has long been neglected.

Strange as it may seem, I live in western Illinois, and in my hurried time at home, I tore out a page on the foster grandparents program at the Dixon, Ill., State Hospital, where 1,000 boys and girls between the ages of 12 and 20 are benefiting so wonderfully by the love and through their progress in having been taught with foster grandparents. I did want to have the opportunity to display this information, and you gave it to me out of my file.

Mr. **ROESSEL**: Dr. Bateman, I would like to ask a question for clarification. In the latter part of your testimony, you mentioned the fact that your final plea, I believe you said, would be for existing State and local agencies to be the vehicle in which the poverty program is contained. Those weren't your words, but I wanted to make sure that is what you meant.

Are you saying that it would be wise to divide up the Office of Economic Opportunity to existing Federal and State agencies? Is that what you are suggesting?

Dr. **BATEMAN**: No, this isn't what I am saying. I am saying that I would hope that some mechanism is built into our Federal program and structure to filter down to all areas for translating what is being learned in connection with the way of getting services developed and delivered through our poverty program mechanisms. I think this is what we have heard people talk about this afternoon, that it is one thing to develop a program and say we have it planned out on paper and another thing to say we have actually got it delivered and to have people able to utilize these programs.

I feel that a great deal is being learned about how programs really get delivered to the point of perfection through the various procedures of these poverty programs. I hope that this experience can be translated to existing agencies, those that will have the continuing, ongoing responsibilities.

Mr. **FORD**: Dr. Bateman, you have brought up a point that has disturbed me with regard to some of, or a great deal of, the testimony that we have been having. And I am sure the situation varies from one rural area to another. But we have heard a number of witnesses say that we don't want the rural people moving into urban centers because their problems can be handled adequately where they are. And yet you present a picture of a very grave inadequacy of services for mental health. I listened very closely when you were discussing the difficulties of getting, say, a psychiatrist to these areas, and I am not sure you came out with the solution to the problem. Maybe it slipped by me.

I know, of course, being from your sister State of Kentucky, that we have serious problems in providing not only psychiatrists and specialists, but even general practitioners to our mountain counties. You are certainly correct in saying that it isn't simply the poor, but also many of the middle class who are unable to obtain services. Nobody is of the position to force physicians to stay in these urban places, but we haven't been very successful in moving them out to where the people are.

Is there any reason to believe that we can surmount this problem?

Dr. **BATEMAN**: I think this is certainly something that has no ready answer in this regard. Our point here is that there are other kinds of people, many people, other kinds of people and other kinds of workers, mental health workers, who can be developed to fill in the gap in relationship to where people are and provide services to them at this point in life, sending them out from wherever your centers of service are developed.

Mr. **FORD**: Doesn't that still give you second-class services? Can you extend the same thing to school teachers as well, and some of these other service workers, where we have had these very serious deficiencies in our communities with dispersed population. I am wondering what kind of solutions are available if we are going to keep the people in these areas as we are being urged by many witnesses.

How are we going to solve the problem of giving them first-class citizenship services when the solution you seem to be posing is one which tightens up or closes up some of the gap but there is still a tremendous gap?

Dr. **BATEMAN**: That is right. I don't have the full answer to this. We do feel, or I certainly feel, that this is another one of the reasons why we need to look at our funding mechanisms. You know, there are a number of health areas or developed standards that say that we should have so many physicians for so many thousand people. We think another dimension has to be added to this even in planning for a public health program, and so on. You also have to add a distance factor and an accessibility factor, and we can't necessarily go on these standards right across, taking into consideration population only.

I think this is going to be true in all of the attempts to reach solutions in this regard. Now on the other hand, if I might be a bit of a heretic, I am not at all convinced—and I am a physician and I am a psychiatrist—but I am not at all convinced that having a psychiatrist on the spot is necessary for first-class mental health services, particularly if we are talking about some areas of prevention, early detection, and that kind of thing.

Mr. Ford: Let me ask another question not directly related to this. I know that we heard in some—not this Commission—but from some group, those dealing with the Eastern Kentuckians, there appeared to be associated with the work experience and training program a lowering of mental health problems to those who were employed. Have you observed that in West Virginia?

Dr. Bateman: I wouldn't say that I have first-hand experience with this. I am not sure what the reported results would be. We certainly know that in relationship to those persons where we are able to provide some area of training, providing some feeling of success in being able to succeed at something, it is a very vital part of the person's actual health who have gotten to the hospital. This is one of the things where it begins to make the difference as to whether this person stays in the community or comes back, of the many people that we see.

This is why, really, in terms of our own State budget, we have a very difficult time being in competition with employment security or with welfare, or even with school budgets. But we know that any other agency that can properly carry out its job makes an easier job for us.

Mrs. Caldwell: Coming from a very rural State myself, and having been involved in mental health planning program, we came to the conclusion that in the rural areas you had really more serious problems of acute neglect. It was very shocking in one instance to find that one of the most rural areas had the highest rate of drug addiction.

I wonder if you have run into anything like that in your mental health planning? Really, you think of poverty, but you don't think of the serious social problems quite often as existing in the rural areas. Yet they are there.

Dr. Bateman: We have not run into drug addiction, as such. But there is a higher rate of alcoholism, we feel, in these areas.

As I mentioned earlier, we just don't know what the extent is in terms of the cultural retardation aspects. One of our workers projected that if we could really fasten in at this level in terms of the very young children in all areas, that we would see certainly a marked change in relationship to dropout, divorce, and so on. This is maybe farfetched for some people, but the problems are acute. They are not invisible. There is a tendency, as mentioned earlier, to excuse this on some degree of apathy or something, not realizing the very deep pain or depression.

We have a very high rate of depression of people who actually get to the hospital.

Mrs. Jackson: I was just taking the long-range view and tying in an idea which is entirely fresh to me. I somewhere felt that any mental health work had to be done by an expert. When you mentioned the high school volunteer workers in mental health, I was thinking of the aid that is available for training people to meet the manpower shortage for health workers, and the like. I could just see those two things working together, that these people are showing this inclination, and they could be from the poor, too, because as we say, there is as much potential there as from the other groups. They may move on through this and become psychiatrists, like yourself.

Mr. Ford: If they come back. Our experience certainly is that they don't come back. They go out, and the problems remain there. I think this is one of the really acute problems of our rural areas, not simply in the area of mental health or total health, but the various services of an institutional type that are required.

Mrs. Jackson: I would propose that we put in the counseling and the guidance section, in the selection of the vocation, that this be done, that they are coming back. It is a job for the educators.

Dr. Bateman: I would say under the Appalachian Commission approach, hopefully, your communities are being approached from a total sense. You are not just trying to develop your manpower isolated from the total development, economic development of the entire region. This must go on as well, if there is to be anything attracted there to hold people in the area.

The Chairman: Dr. Bateman, thank you for your very generous and kind presentation. Thank you for answering the questions. You are a very, very wonderful witness.

Is Mr. Mathiason in the room? If not, is Mr. Esser?

Mr. Esser: Yes.

The Chairman: Would you give us your name, which I just did? Give us your name, your proper title, and if you have a statement that you would file with the Commission.

Mr. Esser: I am George H. Esser, Jr., executive director, the North Carolina Fund, Durham, N. C.

I would like to make a few remarks initially to summarize my recommendations and leave any documentation with you later.

The Chairman: We would appreciate it if you would do that and perhaps in your allotted time you can give us time for some questions.

STATEMENT OF GEORGE H. ESSER, JR.

Mr. Esser: There is a place in eastern North Carolina called Forks in the Road. It is a rural community. The average resident of Forks in the Road has less education, a more dilapidated house, poorer health, less chance of becoming trained or employed, less chance of seeing his children finish high school; he is more isolated and has fewer assets than his urban counterpart.

Further, there is a good chance that he lives on a dirt road and has no water or sewage facilities other than a well and an outdoor privy. We have some who don't have even that. Chances are he doesn't know of all of the benefits available to him from social security, the county extension services, the health and welfare department, or the antipoverty program.

If he has heard of these, he is inclined to think they are for somebody else. Yet he wants education and training and is motivated toward improvement. It may be hard to activate this motivation, due to previous disappointments, but it is there. He wants for himself and his family the same things that you and I do, a decent standard of living, education, and a better life.

He does not expect that he will get these things, but he expects that his children will, for he believes in the American dream. The poor in rural America are getting neither a proper nor a proportionate share of our natural resources or concern. Yet, one-half of our poor live in rural America where we continue to stockpile poverty in the midst of plenty.

The primary reason that we do so is that this nation has no policy or strategy for rural areas. Our attention has been focused on crops, not on people. During the last 4 years, I have been engaged in a program that is concerned about rural America, as well as urban and Piedmont. I hope some of our experiences will be of use to you.

The North Carolina Fund is a 5-year demonstration project, initiated by then Gov. Terry Sanford and other leaders in 1963, and we were funded by National and State foundations. Our experience includes support of 11 community action programs in both rural and urban areas in both the coastal and Appalachian area.

It includes experimental and demonstration projects in both the east coast and the Appalachian areas, in manpower development and mobility, low income housing, the sponsorship of demonstration projects and a new statewide corporation concerned with low income housing development, a massive socioeconomic survey of poor families in North Carolina reaching some 13,000 low income families, and an analysis in depth in connection with community action programs in our State, a number of experimental and training programs.

There has been a continuing study of the socioeconomic and legal systems which can perpetuate poverty. In our judgment, rural America must have direct and immediate attention and a much greater share of our resources if we are to fulfill the goals of a great society. In urban areas we were everywhere confronted with the visibility of the problems of the poor. The urban poor are letting us know that they do not accept a second-class citizenship as their birthright.

Do not let us be deceived. The urban poor were once the rural poor. The conditions which produced a Watts are present in an even greater degree in many of our rural areas. Isolation, poor communication, and poor transportation thus far have discouraged a dramatic response. But unless we meet the needs of the rural poor where they are, we are helping build new generations of faceless Americans to be sucked into urban slums that breed despair more than hope.

An essential step in a realistic approach to solving rural problems is to stop thinking entirely in terms of moving people. We will continue to have substantial migration, but while many rural people will move on to new jobs, new areas, this will never be true for all.

It is our belief that the attention must be given equally to those who wish to move and to those who choose to remain in rural areas. In other words, there must be a viable alternative to migration toward urban centers. We have attacked urban problems and neglected rural problems as if we thought rural areas were to be entirely deserted tomorrow.

If such an idea has been a mental block, preventing us from using our best energies and full resources to solve urgent rural problems, let us discard the idea. It doesn't hold water. The number of people who live in rural United States is holding steady, though the percentage is declining. We must help them, where they are and now.

I am going to outline recommendations made within the framework of the two major assumptions. Then if you would like to comment, I can amplify on some of the others. First, we must have a vastly increased investment of national resources in our rural areas, both in terms of meeting the needs of the poor and of economic development.

Therefore, I suggest, first, actually two points in dealing with the problem of services, which has already been discussed here this afternoon. We so often forget the great problems of distance, the impact of distances on this whole problem of reaching the rural poor. Therefore, we suggest a system of subsidized rural transportation to bring the rural poor within easy availability of the services they need.

We also suggest a planned and orderly development of rural services—information, health, and education centers—that provide a real outreach to the poor where they are. Our experience with fieldworkers, both in the mountains and on the coastal plains, of reaching out to people, finding out their problems, and linking them with services, has been very successful. But we don't begin to have the resources available to these counties that will make these programs meaningful over a long period of time.

My next point is that we must do something quickly to meet the great needs of the rural poor for decent housing. We would suggest, further, immediate and further investigation of low cost, subsidized, individual-unit housing, which is both readily expandable and movable.

I would have said several months ago that this was perhaps a dream. Even during the last few days I have found that technology is making it more and more possible and is doing so quickly.

I would also urge that we continue to encourage programs such as we have of a very successful self-help housing program in one of our mountain communities that is showing how better use can be made of existing resources. Next, we are dealing with the rural poor, with people who have less education and fewer skills, and have little chance to move from an agricultural economy to an urban economy to compete for jobs. It is important that the natural emphasis on the main four training needs be stepped up in the rural areas where it is not and should be reaching, providing prevocational training, education and skill training, using all of the latest techniques.

This effort must, of course, be tied in with job development and on-the-job training, and we would recommend new techniques or new approaches to help find the rural poor who want training and who can be trained to use all of the best new technology on how to raise the literacy level and the skilled training level quickly.

I am aware of the problem that is always alluded to, that you can't—that economic development is going to the urban centers and what are you going to do with jobs. I know that it will take additional investment. Perhaps it will take even subsidies to attract many types of industry to many types of rural areas.

I think we must continue and expand both our current effort to encourage new economic development in our rural areas, and, further, that the Federal Government should use the relative lack of wealth of a State or a region as a major factor in considering the location of Government facilities.

We have seen examples in our States where in comparable counties, the existence of the Government facilities in one county has an impact on the total community that reaches out to areas such as education, economic independence. It means the rebirth in many ways of the whole community, and particularly the Negro community in the vicinity of those installations.

I have had several talks over the last few years with John Baker in the Department of Agriculture about the small farmer who is 45 years old and can't easily be rehabilitated. In our thinking about this problem, and we have many tens of thousands of these people, it seems to us that some form of guaranteed annual income or standby public employment should be provided for those who are being automated off the farm and who are unemployable due to the illiteracy or lack of skills or for whom it is not a good investment to try to retrain for an urban area.

I don't think I could talk about the needs of the rural people without emphasizing that we have to continue to do all we can to increase the funds available to raise the standards and performance in rural schools and rural systems, particularly if we are concerned with seeing that rural children get the education they need to compete if and when they move to an urban center as they are doing.

Finally, in my concern for resources to meet the needs of the poor and of economic development, I want to refer to a problem to which I have no answer, but to suggest that a special study should be made and quickly in an area where we have problems and there has been little significant change in our society for many, many years.

I refer to the problems of the small farmer; the legal status of the tenant or sharecropper, and the means for insuring under our crop support system that not only can the small farmer secure an adequate income but also that he has the ability to pay a minimum wage to those whom he employs.

My second major assumption concerns our attitudes toward the rural poor. We are producing second and third generations of citizens, both white and Negro—and it is of varying intensity in different parts of the South—of both races who have been robbed of every vestige of human dignity and self-respect by our all-pervading conviction that our values are better than theirs, and that in order to improve their lot they must live better—as we do—and that we are going to show them how.

Nothing shows this more clearly than the stubborn resistance of our agencies and institutions to involve and listen to the poor as we try to meet their needs, particularly when the methods and techniques of reaching the poor have demonstrably failed in many areas. It seems to me that the greatest single contribution of the Economic Opportunity Act has been the dramatic revelation of this failure on our part.

I have three recommendations. The first is that we must put a much greater emphasis on development of leadership and participation from among the rural poor in such community programs and neighborhood organizations, community corporations.

We must use in this system some process of incentive grants, and we must utilize—even if it requires retraining, as I believe it does—the county agents and extension services in helping to provide the services and in developing the neighborhood organizations and corporations. They have been very successful in extending this technique to the middle class. They are there. They know the people and the problems.

If they can be retrained to understand that the poor have the same interest, the same concerns, and the same potential, we may have a use, an extended use for the extension services that is not possible today. But if that source does not do the job, then I think we must develop the resources to encourage this sort of involvement by the rural poor in defining their own problems and in finding their own solutions.

We have had experimental projects in North Carolina. While it is too early to tell the long-range impact, we have some very interesting short-range results.

The second thing, it seems to me we must make an effort both from the point of view of the public at large and of all of the agencies dealing with the poor to have a better understanding of the causes of poverty and how to communicate with and reach the poor. It is a problem of our understanding the poor better and our giving the poor a chance to take a positive role in defining their own futures.

Finally, the South: looking at the problems of the South, the rural South with which I am familiar, I think that it is true that we can't deal with the problems of the poor Negro in a realistic way unless we move much more quickly, much more successfully, to insure that there are equal opportunities for all rural citizens, and that the last vestiges of discrimination are eliminated from all public programs, and in particular federally supported programs.

I don't propose to have any overall answers. All I know is that we have dealt, Mr. Chairman, with some of the baffling, frustrating, but often rewarding problems of trying to meet the needs of people in the rural areas, and we have faith in the potential of those people if we meet them as individuals.

The CHAIRMAN: We certainly understand that you or none of us have the overall answers. We are trying day by day, piece by piece, to try to put together something that might be an overall answer. Your consideration will certainly be a part of it. I would like to submit you to some questions from members of our Commission.

Mr. ROESSEL: Earlier this afternoon, Mr. Esser, we heard a group of people from the People's Poverty, I believe it is, from your State mention their frustrations and their problems with regard to trying to get some assistance for some of the very reasons you mentioned so very eloquently in your paper in terms of these boards that don't represent the poor, don't have an interest in the problems of the poor.

They were also expressing concern over the fact—I guess they have appealed to your group for assistance—and I wonder if you have any words for encouraging them or can you tell us what is the status of their request.

Mr. Esser: Officially, their request has reached us, and it will go before the next meeting of our board of directors in March. Whether it will go in the form in which it is submitted, I couldn't assure them. It will go before the next meeting of the board. This is one of the two.

We have an urban counterpart, a community corporation, which is also seeking support. This is an extension—at least I am recommending this to our board that we experiment with local groups to determine what they can do successfully for themselves.

Mr. Roessel: In other words, this request would have your recommendation to the Board?

Mr. Esser: I have been very favorable to the general request. I can't comment on the specific details. There are some details that would have to be discussed. The committee from the People's Program on Poverty has an appointment with me sometime next week to discuss these matters.

Mr. Lawrence Davis: On that point, I might not have made note of the chronology of all of this. I got the impression that there was a delay in some 2 or 3 years in the total effort to develop these programs. We don't know if that is an accurate picture, but it is the impression I draw. If so, is there a time schedule arrangement by which these have to be processed?

I think not in North Carolina. Other places, they are concerned about the delays in getting results.

Mr. Esser: In the area in which this organization has been formed, there it took a period of 2 or more years to get the community action organization formed to meet the requirements of the Federal Government, to employ a staff which stayed with it, to draft an acceptable plan, and to get funding from the Federal Government.

I am as well aware as anybody of the needs for quality in our programs. I think that in some cases the reasons for failure of that organization in the South—we had many areas where there was delay because of the reluctance, initial reluctance at any rate, to meet the requirements of the Civil Rights Act, for example, the requirements of the participation of the poor.

In that area, the community action program, since last fall, has been funded, and it has been funded at a level which looks very impressive. My own feeling is that even with good direction and where you have a good staff, that they are going to have many heartaches simply because they are trying to cover such a tremendous area.

I think that throughout, the antipoverty program has suffered from promising too much too quickly and not being able to deliver either in Washington or at the local level. We are paying the price of these frustrated expectations today, and if the resources made available to community action programs are not significantly increased, we haven't begun to reap the price of those frustrations.

Mr. Lawrence Davis: Are there Negroes on CAP in your——

Mr. Esser (interrupting): Oh, yes, in some areas of the 11 we support, we have one or two where Negroes are in the majority. In this same program, in this People's Program for Poverty area, the staff recently recruited about half white and half Negro, mostly at the subprofessional level. But this is the only area in the South outside of the public schools where the employment of Negroes has achieved acceptance, and it has only been in the last few months that this has occurred.

The **CHAIRMAN**: Do you have any other questions?

Mr. **FORD**: Mr. Esser, I want to pursue a line of reasoning to be sure I understand you and to raise some questions, a counterline of reasoning that I have heard argued.

In some of our counties of eastern Kentucky—and I am sure this is true of most Appalachian areas—we have places that our economists have told us have no agricultural potential, that there is very little likelihood of industry being able to operate there on a competitive basis because of transportation handicaps, lack of industrial sites, and so on, and that these areas really shouldn't be brought into economic productivity because this is a losing battle unless they are continuously subsidized.

You seem to be telling us that we have to fight this situation where it is, that we should have the Government locate facilities in these very areas which have the greatest economic problems, and that we should seek to develop these because not all of the people are going to leave anyway.

Obviously, they are contradictory, but I wonder what your answer is to the arguments that are continuously put to me here by the economists.

Mr. **ESSER**: I would say, first, Director Ford, since I come from southwest Virginia, lived in North Carolina, and traveled through eastern Kentucky, that there are places in eastern Kentucky and other places that I could see where this would be said just because of the despoilation of the communities there and the great isolation. Let us take first—I think you have to look at different areas. In the first place, I would say that in the Southeastern United States you don't have an area of low agricultural potential. You have an area where many tens of thousands of people have been automated off the farm, and there is simply no place for them on the farm. It is a rich area, and it will continue to be productive.

But many, so many of these people, I think that it is better to meet their needs where they are, and eventually I agree with you that the migration process will take the best away. In the meantime, their parents are there, and they are there as children, and if we as a nation are going to investigate this human resource, I would say that we must make natural resources available to meet the needs of people where they are.

I think we can build in the process of helping the children find where to go to become economically productive and better satisfied. In the mountains I have great confidence that—I think first of all that our mountain people in North Carolina are different than those in eastern Kentucky.

Mr. **FORD**: You better watch what you say.

Mr. **ESSER**: I know. I have an economic reason. I equate the economy situation in a coal camp to the situation a tenant farmer faces when he is no longer needed. The coal miner, and my father was in the coal business, doesn't have a piece of land. In our mountains in North Carolina, we have people with pieces of land. They aren't pieces big enough to produce, you know, a $3,000 net income, but there is the piece of land, and this is true in other parts of Appalachia.

I think the measures we take, for example, with either tenant farmers or dispossessed coal miners must relate to their situation and that that program would be different from a program to help keep a small farmer in the mountains in North Carolina on his land but not pushing him toward the city.

I also feel that while there are— I think there is something to the theory of the Appalachian Act in terms of developing growth centers. If we find it difficult to reach him in these isolated communities with services, we have to use our imagination and our technology to develop more mobile conveyors of services.

We do it with library books. We do it with dentist chairs. I think we can do it with some other things. I would be the last to challenge the conviction of the economists that certain places simply don't make sense for investment. I say that against that investment we must balance the social costs, the men, women, and children who are now there, and meet their needs where they are, even if that includes helping them to migrate.

When I say "we must help them where they are," in many cases it means that unless we help them now we have lost them for a generation.

Mr. **HUTCHINS**: I would like to ask if you have had any experience with promoted migration?

Mr. **ESSER**: Yes, sir, we administer, we are in the second phase of the mobility program financed by the Department of Labor in which we are undertaking— The problem is not to find people to move nor to find areas that need labor. The problem is to explore all of the problems that are involved in the moving process. Everybody doesn't want to move but many people will move.

We have found that we can successfully help them move to an urban community if we use—well, it is an equivalent of a halfway house, a receiving center where they are given counseling and support during the first weeks they are on the job and where we are sure—it takes about 3 weeks to get them accustomed to the community. And after that, we help them with small grants to move into homes in the urban community.

There are many, many problems involved here. I would only say that what we have done in this case is to reverse the migration stream of most of these people from a north-south migration to an east-west migration, to smaller cities. But we see many problems in the process.

The **CHAIRMAN**: I would like to recognize for the people in the audience and our Commissioners, one of our very loved Commissioners who has joined us recently, Mr. Miles Stanley, and you now have the floor.

Mr. **STANLEY**: Mr. Esser, I am interested in two observations that you have. I wonder if you would respond by elaborating on techniques and methodology, one in regard to transportation, in which I have had a particular interest for some time, and secondly, you mentioned perhaps the need for a guaranteed national income.

Mr. **Esser**: On the transportation, you will find in my testimony I did add one item. I did add a map which shows, one, the counties in which we worked. It shows the distance of a community of rural poor from the basic services available in that community.

In that community—I will give you a little story. We placed one of those men on the job in the county seat, on-the-job training, and he had a ride. One morning, the ride didn't show up and the employer called our experimental project office and said, "Well, I told you, that so-and-so didn't show up."

And at 1 o'clock he called back. He said, "I beg your pardon, he is here; and he has walked 25 miles to make sure he didn't lose his job." The problem of transportation both in the mountains and on the coastal plains is that so many of the families are isolated, long distances from the services we provide today, and the services that we provide do not have sufficient manpower resources or an outreach system to go out and find them.

Mr. **Stanley**: I fully agree with the problem. I wonder about how to solve it.

Mr. **Esser**: Well, we have played around with the idea of developing within a community such as this, of developing a little bus system that they would run themselves. That is, to work it in with a training course in automobile mechanics, and perhaps move from that to helping those who have secured jobs to buy, maybe in the mechanic schools, to buy second-hand cars, to rehabilitate them and sell them to the people.

We just have not had enough money or time. I mean, this takes a lot of time and effort. We would like to try that.

Mr. **Stanley**: Would these be franchised, regulated services that you are talking about?

Mr. **Esser**: This is, of course, the problem of doing it on a bus system. I think that there are small bus systems of this kind that operate in some of our rural areas on a very ad hoc basis.

Mr. **Stanley**: I am serious because I think this has a potential here for a sort of minibus kind of thing.

Mr. **Esser**: I agree.

Mr. **Stanley**: If it could be outside of the regulations. There are a lot of problems inherent to it.

Mr. **Esser**: That is right.

Mr. **Stanley**: I think this is something that has to be whipped.

Mr. **Esser**: That is right. I like that minibus idea. That is a very good one.

Mr. **Stanley**: How about the second, the guaranteed income?

Mr. **Esser**: On the money end of it—I heard one of your witnesses coming on to explain in great detail the problems of the guaranteed annual income. I think that I understand what those problems are. I think that I don't know which form of guaranteed annual income makes sense. I think that I am particularly concerned that we provide standby, at least standby public employment, in particular, for those who simply can't be encouraged to move to an urban center with any hope of securing employment.

Now, as I am not an authority on the guaranteed annual income, and you will hear one or several I am sure, until all of those problems are worked out, I would like to see some experimentation with standby public employment that is easier to administer than Title V of the work experience program, perhaps something that adapts to the older person, something like the Neighborhood Youth Corps today.

I think there are public purposes for which this employment could be found.

The **CHAIRMAN**: Thank you, Mr. Esser. You have been a very, very fine witness.

I will go back to Geneva Mathieson from New York. Has she arrived? Then we will move on to Mr. William Taylor.

Mr. Taylor, I, of course, stated your name. Would you give us a little background on your situation? Do you have a prepared statement that you could file with our Commission?

Mr. **TAYLOR**: Yes, I have left one with your staff. I assume that you can make it available.

The **CHAIRMAN**: All right, if you can keep your remarks within the time so that we have time to question, we will appreciate it very much.

STATEMENT OF WILLIAM TAYLOR

Mr. **TAYLOR**: I will be glad to try to do that.

Mr. Chairman, members of the Commission. I am William Taylor, staff director of the United States Commission on Civil Rights. I appreciate the opportunity that you have afforded us to appear before your Commission today to speak about some of the aspects of the problems of rural poverty that the Commission of Civil Rights has explored.

Since the creation of our Commission 10 years ago, the major part of our work has been to study and appraise developments related to the denial of people the equal protection of the laws. In carrying out our work, we have looked in such areas as voting, employment, the administration of justice, housing, and education. We have learned very early, however, that denials of civil rights in any of these areas could not be fully understood apart from their social and economic context.

The common thread running through denials of civil rights is poverty. We found this to be true of our work in rural as well as urban areas. For example, in the context of rural America, the slow progress we have made in securing the right to vote can be traced to a system of economic dependence on the part of those who have been disfranchised as well as the discriminatory practice of registrars and other State and local officials.

By the same token, the problems of poverty can't be effectively attacked without dealing with denials of civil rights. People who have been denied a job because of their race or denied the basic right to vote on racial grounds cannot enter the mainstream of American life.

A generation ago when Franklin Roosevelt characterized one-third of the nation as ill-clothed, ill-fed and ill-housed, we realized that we had a national crisis that required a massive response. Today, while most of the nation lives in relative affluence, a substantial part of the country's rural dwellers live in poverty.

In fact, fully one-third of all farm residents are poor. Yet, there has been little sense of crisis or urgency, and the effort thus far to meet the problem has been tentative and inadequate.

You already have heard considerable testimony on the overall dimensions of rural poverty. I think it is important to stress that poverty does not afflict all rural residents with equal severity. As in our urban areas, minority groups suffer disproportionately in almost all the aspects of rural poverty.

For example, median family income for white farm owners in 1962 was a little more than $3,100. For nonwhite families, median income was less than half—$1,500. Nearly 90 percent of all nonwhite families living on farms and two-thirds of those in nonfarm rural areas had incomes of less than $3,000 in 1960.

Comparable figures for white families were 47 percent and 19 percent, respectively. Median income for all rural Negroes in 1959 was less than $1,000. Negroes are not the only minority group that suffer a disproportionate share of the problems of rural poverty. Nearly 80 percent of all Mexican-American farmworkers earned less than $2,000 a year in 1960. Median income for rural American Indians was less than $1,100 a year in 1959.

The average income for migratory farmworkers in 1964, regardless of race, was $935.

In education, too, minority group members get short shrift. The median number of school years completed in 1960 for rural white males was between 9 and 10; for American Indians, less than 8, for Mexican Americans and Negroes, less than 7. More than 40 percent of migratory household heads have less than a fifth grade education. By 1962, about 1 white farmworker in 4 had completed high school, but less than 1 nonwhite farmworker in 20 had done so.

In the matter of health, there is a sharp disparity between whites and nonwhites in rural areas. Infant mortality rates among nonwhites was more than twice as high as for whites in 1964. Almost 20 percent of all nonwhite babies born in nonurban areas during that year were delivered by midwives, while for whites this was true of less than half of 1 percent.

For American Indians, diseases that generally are thought to be under control are still a major threat. Mortality from tuberculosis for American Indians was five times the rate for the rest of the country in 1964. During the same year, dysentery among reservation Indians was of epidemic proportions.

Perhaps the widest disparities exist in relation to housing. Housing in rural areas generally is worse than in urban areas. For nonwhites decent housing is the exception rather than the rule. In 1960, a little more than one-fourth of the housing occupied by rural whites was substandard. For nonwhites, more than 80 percent was in that category.

Almost one-third of the housing units occupied by nonwhites in rural areas had deteriorated to a point where they were considered unsafe to live in. This was true of only 5 percent of the units occupied by whites.

Perhaps the most significant aspect of this disheartening picture is that the disparities are widening. In income, in education, in housing, the differences between whites and nonwhites in rural areas increased in the decade of the 1950's. The situation is growing worse, not better.

A variety of factors account for the fact that the plight of Negro and other nonwhite citizens in rural areas is even worse than that of their white counterparts. One is the fact that Federal programs designed to improve the economic situation of all people in rural areas have failed to provide assistance on an equal basis.

In the rural South, where the Civil Rights Commission has done a good deal of work, Federal programs have been administered on a racially discriminatory basis. Negroes have not participated in the decision-making process in programs operated at the local level. And programs have been administered in a manner which, far from promoting economic self-sufficiency for Negroes, has sometimes served to perpetuate economic dependence.

Two years ago the Civil Rights Commission did a study of Federal farm programs in the Deep South to determine what impact they were having on equalizing opportunities for Negroes. A principal finding in that study was that in the administration of these Federal programs, there was an acceptance of discrimination and of the inferior status of Negroes—in short, an acceptance of the pervasive assumption that there are two distinct Southern agricultural economies, one white and the other Negro.

We examined four programs of the Department of Agriculture in some detail: The Cooperative Extension Service, the Farmers Home Administration, the Soil Conservation Service, and the Agricultural Stabilization and Conservation Service. With respect to each of these programs the Commission found that Negroes were denied the opportunity to participate on an equal basis and were denied anything resembling a fair share of the benefits.

For example, in the Cooperative Extension Service, which has the responsibility to impart to rural residents knowledge and services designed to improve their livelihood, the State structure was established along lines of rigid segregation, with separate staffs for Negroes and for whites. The Commission found that the Negro staff were located largely in physical isolation and excluded from much of the flow of information they needed if they were to carry out their responsibilities properly.

Negro staff were excluded from planning the extension programs for their communities. It also was found that Negro residents were served almost exclusively by Negro agents. The system was not only separate, it also was clearly and tangibly unequal. In those counties where Negro staff were assigned, their potential caseload was at least twice that of the white staff. Of the 125 counties the Commission studied, 42 were without Negro agricultural agents. In these counties, service to Negroes was minimal.

Inherent in this system has been the tacit and sometimes express acceptance of the lower status of Negroes. Low expectations of Negro achievement were reflected or implied in statements made by both white and Negro State extension service officials. Commission staff was told, for example, that "corn is just not a Negro crop" and that "Negroes don't have any interest in sheep." An official of the Federal Extension Service expressed this pervasive attitude best when he stated that Negroes "have gone about as far as they can go."

Followup work on the Cooperative Extension Service since the Commission's report in 1965 suggests that the situation has improved to some extent. There has been some integration of State extension offices and an increase in training opportunities for Negro agents. Services to rural residents, however, are still carried on largely on a segregated basis.

As recently as May 1966, the Commission found that in Georgia only 7 of 130 professional employees on the State staff were Negroes. No Negro in that State holds the title of county agent or county extension home economist. An analysis of salaries revealed an average differential of $455 in favor of white assistant county agents and an average of more than $1,100 in favor of white associate county agents. To this day, no Negro holds a supervisory position at the county level.

In Farmers Home Administration programs, too, the same pattern was found. In its National and State offices and its 1,500 county offices, FHA had 57 Negroes employed as professionals in 1964, none in a supervisory capacity. As of October 1964, only 9 Negroes had been appointed as State committee members in the 16 Southern States.

Ninety-seven of the 110 Negroes appointed to county committees were serving as alternates. Negroes seemed to be receiving an equal share of loans from FHA, but when the Commission analyzed these loans by economic class, we found that loans to whites in each economic class were substantially higher than to Negroes.

Further, while most loans to Negroes were for current expenses, loans to whites were mostly for capital investment such as equipment purchases and real estate improvement. In short, the loans made to Negroes could not serve to enable them to become self-sufficient.

According to information received from the Department of Agriculture, the situation at the Farmers Home Administration has improved in the last 2 years. The number of Negro employees in FHA county offices has nearly tripled and the number of Negro county and area committeemen has nearly quadrupled.

Three Negroes now serve in supervisory positions. Regarding FHA loans, however, the gap between whites and Negroes has not been closed. For example, although the number of farm ownership loans to Negroes in Southern States nearly doubled between 1964 and 1966, loans to whites still averaged $5,600 more than loans to Negroes.

Common to all of the agricultural programs examined by the Commission is racial inequity. In none of the programs are Negroes occupying key decision-making positions. A part of the problem involves the administrative structure of many Federal programs providing assistance to rural areas. While the Federal Government provides the funds, the key decisions on how these funds are to be used are made locally, often by private groups whose only connection with the Federal Government is financial support.

A prime example of this is the Agricultural Stabilization and Conservation Service (ASCS), which administers the crop allotment and price support programs. Although the program is administered in Washington and in State and area offices by Federal employees, at the county level locally elected committees are interposed.

These committees make the decisions on the size of a farmer's allotment, on adjustments of program benefits between landlords and tenants, and on the appeals of farmers objecting to cuts in allotments. The county committees, whose members are usually elected by the vote of community committeemen, hold the real power in the ASCS program.

As of the time of the Commission's report 2 years ago, not a single Negro had been elected to a county committee in the South. Of the 37,000 community committeemen and alternates representing 7,400 community committees in the Deep South, only about 75 were Negroes. By the end of 1966, a little progress had been made. There were 543 Negro community committeemen —113 in regular positions and 430 in alternate positions with no vote.

Of the more than 5,000 county committeemen, however, there still were no Negroes in regular positions. There are 319 counties in the South where Negro farm operators outnumber the whites. Yet Negroes are virtually unrepresented in decision-making positions in the ASCS.

Decentralization and local determination of how local problems should be met theoretically are desirable. In the kind of society we all would like to have, this system could operate effectively and compassionately for the benefit of all citizens. In the kind of society that exists in some parts of the Nation, however, and particularly in the rural South, this system results in a perpetuation of discrimination and inequity.

For the Federal Government, under the guise of local autonomy, to permit the kinds of discriminatory practices that the Commission found to exist in its study is an abdication of responsibility and acquiescence in inequality.

In part because of discriminatory administration, Federal programs have not provided the assistance they should in enabling Negroes to become economically self-sufficient. Continued economic dependence in turn has deterred Negroes from exercising important rights.

In 1961, the Commission examined this problem in the context of the predominantly Negro black belt counties. A factor that contributed heavily to the second-class citizenship of Negroes was their economic subservience. In many cases, Negro tenant farmers and sharecroppers remained constantly in debt to the white landowner and never received cash for their labor. In all black belt counties, even in those where Negroes did vote in substantial numbers, economic dependence was a critical factor in deterring Negroes from exercising other rights.

In studies conducted since 1961, we continue to find that fear of economic reprisal is the most widely reported deterrent to the exercise of fundamental rights.

Some threats of economic loss are obvious. Workers fear job loss, tenants fear dispossession. In field investigations conducted during the past few months in rural counties of Georgia and South Carolina, parents of Negro children attending previously all white schools reported to Commission staff that they had suffered these kinds of economic reprisals.

These reports only suggest the extent of the problem. Many Negroes are unwilling even to discuss the matter for fear of economic reprisal. Over and over again, Commission staff have reported that the only Negro rural residents who are willing to discuss the problems we are studying, and the only parents who are sending their children to integrated schools, are those who are living either on social security or disabled veteran's pensions, are self-employed, or are employed by large corporate employers or by the Federal Government. In short, those who have achieved some degree of economic self-sufficiency.

As the Commission found in its 1965 hearings in Jackson, Miss., fears of economic reprisal are rooted in the economic dependence of Negroes on whites in Mississippi. Most Negroes look to whites for employment; for loans; for credit to purchase food, seed, and fertilizer; for use of farm equipment; or for a monthly welfare check.

In rural counties we have studied, between 60 and 85 percent of the Negroes who were employed worked in agriculture, primarily as tenants or laborers on land owned by whites. In 1964, Negro agricultural laborers in the Mississippi Delta counties were paid between $3 and $4 a day for work which lasted only during the cultivating and picking seasons. A 1959 census reported median income for Negro men in the State as $984 per year, one-third that for whites.

Beyond outright job loss, eviction, and termination of credit, economic dependency for many Southern rural Negroes has an added facet. Most poor Negro rural families have established ties with white patrons upon whom they depend for loans and for such services as help in obtaining medical treatment. Such dependence discourages any act of political or social initiative which might be interpreted as ingratitude and which could result in the withdrawal of assistance.

Economic dependence has meant, in some counties visited by Commission staff, for example, that Negro farmers will not run for ASCS committees without organized encouragement and that Negro parents will be reluctant to organize or attend PTA's. It has meant that despite what the courts have held, and despite the laws Congress has passed to protect their right to vote and to guarantee that Negro citizens be admitted to schools, public accommodations, and public facilities, none of these rights are, in fact, secured to the rural Negro poor.

Economic dependence stems from many causes. But one important factor is the manner in which Federal programs often operate in the rural South. The necessities of life which should be available to people as a matter of right, instead often are treated as largesse which may be doled out by local authorities only to the "deserving poor."

Examine, for example, the way in which we distribute food to people in need. The Federal Government sponsors a surplus food distribution program, but basic decisions about need are left to local authorities. Time and time again these authorities have used their power as a lever to deter Negro citizens from asserting their rights or to punish them for having done so.

Each time the problem has come to national attention—in Haywood and Fayette Counties, Tenn., in Leflore County, Miss., and in other places—the Federal Government acted after the fact to see that hungry people were fed. But we still have not established a system of administration which prevents such abuses from arising.

As we move now from surplus food distribution to the food stamp program as a means of meeting the needs of the poor, care must be exercised to assure that this program is administered in ways which do not defeat its purpose. In many communities, we are advised that the numbers of people receiving the food stamps are significantly lower than the numbers who previously received surplus food.

In part, this is the result of the fact that some income is required to receive benefits under the program. Food stamps are not free and often their cost is prohibitive for families living in poverty. For example, a family of four earning $85 a month must pay $36—more than 40 percent of its income—to obtain $68 worth of food stamps. The food stamp program has several advantages over surplus food distribution, but it must be recognized that for the rural poor, many with irregular income or no income at all, food stamps as presently operated are of little help.

Welfare programs have been operated at the local level as a means of keeping Negroes "in their place." For example, one Negro welfare recipient in Mississippi who had permitted a civil rights volunteer to stay at her house was cut off from welfare.

Other complaints from Mississippi indicate that the threat of cutting off welfare payments has been used to coerce Negro recipients into accepting menial, low paying jobs. It has been reported that local public welfare agencies in Mississippi and elsewhere have used the program in this way as a means of creating a supply of low paid Negro female labor for fieldwork and as domestics.

What can be done to eliminate widening disparities in the conditions of life of whites and nonwhites in rural areas and to create conditions of real opportunity for all? I know that you will be addressing yourselves to the most difficult problems: How in the short run to find jobs and provide decent housing for the thousands who are being displaced each month from their homes and land, how in the long run to provide systems of education and training which will enable the rural poor to become full participants in our society.

I would like to put forward a few principles and suggest a few remedies which, while not sufficient in themselves, should be a part of any overall program that is devised.

First, the necessities of life—food, clothing, and shelter—should be made available to people not as a matter of privilege but as a right. I have already cited a number of instances in which Federal programs are deficient in this respect and subject to abuse.

There is perhaps no better example than public assistance programs designed to assist the aged, the disabled, and the children of the poor. In no State in the nation is the standard of assistance sufficient to meet the needs of these groups. In the rural South, which has a disproportionate share of the nation's poor, the situation is the worst. Of the 11 States of the Deep South none has a standard of payments for aid to dependent children that equals the average for the nation.

Recently, the Commission recommended in connection with a study of welfare programs in Ohio that the Federal Government establish a national minimum standard for public assistance payments and provide financial assistance to help the States reach and maintain this standard. If the need for such a mandatory standard is evident in the nation's cities, it is even more apparent in rural areas. And it is particularly important for those who will not be leaving the land so readily, the aged and many of the very young.

Second, we must assure that programs of assistance are administered in a nondiscriminatory manner and not used as a means of maintaining second-class citizenship for Negroes and members of other minority groups. In this connection the Commission has suggested that Title VII of the Civil Rights Act of 1964, dealing with equal employment opportunity, be broadened to include State and local employees within its coverage.

It is anomalous, to say the least, that while Federal statute prohibits discrimination by private employers, Negroes, Mexican Americans, and others do not have an effective remedy against discrimination by public employers. The opening of new opportunities for public service to members of minority groups would make a contribution toward assuring more sympathetic administration of programs of assistance to the disadvantaged.

It would also help to meet the critical need for jobs in what is perhaps the fastest growing area of employment and one in which Negroes and Mexican Americans are significantly underrepresented.

Third, we must do everything we can to assure that threats of physical and economic reprisals cannot be used as a means of preventing the exercise of basic constitutional rights. To this end legislation is needed along the lines of Title V of last year's civil rights bill which was aimed at protecting the physical security of people who attempt to exercise their constitutional rights. We believe this legislation should be broadened to include protection against economic reprisals as well.

Finally, in devising and administering programs of assistance—to improve the quality of education for rural children, to eliminate deplorable housing conditions, to provide adequate health services, to attract new industry and new jobs, and to provide training necessary to enable people to qualify for these jobs—we must recognize that the Federal Government cannot afford to play a passive role.

We cannot expect that sophisticated proposals from areas most in need of assistance will invariably be forthcoming and that the Federal Government need only remain in its regional and national offices evaluating and approving them. In many of these impoverished communities, the technical expertise and community organization are simply lacking. The Federal Government's role must be an active one, stimulating community organization where it does not exist and training the people to develop the skills necessary to provide solutions to their own problems.

Above all, new structures and methods of administration must be devised to assure that these programs aid the poor for whom they are intended, and that they are carried out on a nondiscriminatory basis. Until equality of opportunity can be established as a fact of life in rural as well as in urban America, the problem of poverty will continue to plague the Nation.

The CHAIRMAN: That has been a very good testimony. Would you like to submit to questions of the Commission if they have any?

Mr. TAYLOR: I would be glad to.

Mr. ROESSEL: Mr. Taylor, what is the role of your Commission in the area of voting?

Mr. TAYLOR: I perhaps should explain at the outset that our Commission is a factfinding and an investigative body, and we do not have enforcing powers. Our responsibility is to investigate allegations of denials of the right to vote, to issue reports, to make recommendations for corrective action.

Mr. ROESSEL: With respect to that function, did your Commission investigate the situation in Arizona that was reflected in the Apache-Navajo community with reference to the Navajo Tribe wherein there were a substantial number of Indians who, because of the literacy requirements in Arizona, were not able to vote?

In other words, the requirement that stood, the literacy requirement, was declared to be nondiscriminatory. I wonder what your finding was in that investigation or did you investigate it?

Mr. TAYLOR: I would have to say I am not aware of an investigation in that area. I am aware of the fact that the Voting Rights Act of 1965 does not cover this particular area or at least Federal examiners have not been designated, and if there is a problem continuing today, I think we should take a look at it.

Mr. LAWRENCE DAVIS: I want to ask if one of your positions or premises is similar to the guaranteed income concept in which you say the necessities of life should be provided or guaranteed as a matter of right and not as a matter of privilege. You mean from some source, Federal and local together, the man should be guaranteed a place to live, adequate food or income to maintain his family, whatever the reasons for his inadequacy in that capacity?

Mr. TAYLOR: I have said a couple of things here which I suppose may approach the concept of a guaranteed national income, but I don't know that any of them really amounts to that.

Mr. LAWRENCE DAVIS: I should have asked you to interpret that for me.

Mr. TAYLOR: What I am saying is that the public assistance which goes primarily to the aged and to the poor and to the children of the poor and to the disabled, to people who are not in a position to work, many of them are not in a position to work, should be put on a stable basis and on a basis where we have a national standard that reflects need rather than what we have right now.

That I think is very, very important. But it probably does not get to the question of income to be provided to people regardless of their employability. I am not sure I am conversant enough with that kind of issue to be able to answer your questions. In addition, we have said in this statement that the basic necessities, as I pointed out, food, and so forth, and we do have a concept in this country of providing for the housing needs of the poor.

But public housing programs haven't been very successful, I take it, in meeting the needs of the rural poor. In fact, it hasn't been terribly successful in some respects in meeting the exigent needs of the urban poor. If that gets to the extent of national income, perhaps so.

The CHAIRMAN: Do we have any other questions? We would like to thank you, Mr. Taylor. You have been very fine. We appreciate your time and your consideration and your effort and your study for your recommendations.

Mr. TAYLOR: Thank you. I think your Commission's work is very, very important.

The CHAIRMAN: Thank you.

Is Mr. Stephen Shulman here?

Mr. SHULMAN: Yes.

The CHAIRMAN: Did I pronounce your name correctly?

Mr. SHULMAN: Yes.

The CHAIRMAN: I have stated your name. Would you tell us your capacity? You may proceed.

STATEMENT OF STEPHEN SHULMAN

Mr. SHULMAN: Mr. Chairman and Members of the Commission, my name is Stephen Shulman. I am Chairman of the Equal Employment Opportunity Commission. I would like to state my concern with the changing manpower requirements in the rural economy and their relation to equal employment opportunity.

The transformation of agricultural manpower requirements associated with the mechanization of agriculture has had widespread impact upon farm and nonfarm areas. The marked increase in agricultural productivity has resulted in shrinking employment opportunities in farming.

The rural population is now largely nonfarm. In 1965, the 10.5 million poor persons residing in these areas accounted for almost one-third of all the poor in the United States.

The lack of opportunity to improve one's economic position undermines the status of three groups covered under Title VII. By most available measures of socioeconomic status, the gap between whites and rural southern Negroes, between Spanish-speaking Americans in the rural Southwest and other whites, and between all citizens and American Indians has widened in recent years. This is true in income, education, employment, and housing. Efforts to reduce rural poverty must include expansion of job opportunities to all regardless of race, color, religion, sex, or national origin.

One-fourth of the 16 million rural persons in poor families are nonwhites, most of whom are rural, nonfarm southern Negroes. Negroes are rapidly disappearing from farming. In 1965, there were about 200,000 Negro farmers (including sharecroppers and tenants), mostly residing in the South. The mechanization of cotton and diversification in other crops have forced many Negro farmers to become hired farmworkers or migratory workers.

Low incomes prevail among this group because of the nature of the work and the lack of opportunities to supplement their farm income.

The decline in agriculture has involved large-scale out-migration from rural to urban areas. Many who have been displaced by advancing technology in the agricultural sector have relocated in the central cities of metropolitan areas. When persons of limited education, training, and experience leave southern agriculture for urban life, the risks of unemployment and disruption of family life are great.

Between 1960 and 1965, the nonwhite farm population decreased by 41 percent. During this period, the net migration of nonwhites out of the South averaged about 100,000 annually. By April 1965, 54 percent of all nonwhites lived in the central cities of metropolitan areas, 39 percent lived in nonfarm areas (both metropolitan and nonmetropolitan), and 7 percent in farm areas.

Some of the decline in agriculture has resulted from reclassification of areas to nonfarm when farming operations cease. Those who remain in the rural nonfarm communities experience many disadvantages in the local labor markets. Statistics on the utilization of manpower in these areas show that Negro farmers forced out of agriculture have not had alternatives for nonagricultural employment in the rural South.

White nonfarm rural males are employed predominantly in blue-collar jobs and compared with nonwhite males who are still concentrated in agriculture. Among nonfarm rural males, nonwhites are in the labor force to a lesser extent than whites. The lower labor force participation rates of nonwhite males in the urban work force have been a matter of concern for some time. It now appears that similar circumstances may encourage withdrawal from the labor force in rural areas.

Despite the massive out-migration from the South and the anticipated accelerated departure of Negroes from farming, rural Negroes are expected to remain a significant element in the southern population. More Negroes must find employment in nonfarm work.

The enlargement of nonfarm employment opportunities in rural areas will require (1) job training in order to develop a more qualified labor force, and (2) location of new enterprises. As the southern economy becomes more industrialized, a variety of jobs will become available to its labor force. If barriers to employment are not removed, patterns of disorganization and tension may be intensified.

In several respects the disadvantages which afflict the Spanish-speaking people of the five States of the Southwest are similar to the problems of other rural poor. In terms of history, culture, and interests, however, these residents of California, Texas, Arizona, New Mexico, and Colorado represent a distinctive group.

They have recently shifted from primarily rural to urban areas. The migration of native-born farm population to urban centers has left the less educated and less trained foreign-born on the farms. Thirty-five percent of all Spanish-surname families fell below the poverty threshold in 1960. Of the 242,000 Spanish-surname families in the poverty group, 28 percent lived in the rural sector.

Over half of the Spanish-surname families residing in farm and nonfarm communities received incomes well below the earnings of the general population. The median income for rural Spanish-surname males was under $2,000 in all five States of the Southwest. The relative frequency of poverty was almost twice the rate of the rest of the white population. The average education among the rural Spanish-speaking population is less than that of the rural Negro of the South.

The recent migration of the rural Spanish-speaking people to cities has been attended by many of the same problems faced by other rural migrants. They have moved to urban areas not only without education and skills, but without facility in English language. Urbanization may have widened the differentials in the incidence of poverty for some. According to a special census in east Los Angeles in 1965, nearly 24 percent of the Spanish-surname persons were below the poverty level as compared with 22 percent in 1960.

American Indians are geographically and culturally isolated in 250 reservations, mostly west of the Mississippi. The reservation population is almost entirely rural; nearly 70 percent live in poverty. Well over two-thirds of the Indians reside on land with marginal or no economic potential or in areas where employment opportunities are restricted to occasional seasonal work.

Thus, the Indian poor are outside of the productive life of the economy. Unemployment on the reservation in 1962 ran between 40 and 50 percent, and the income of the Indian reservation family averaged between $1,500 and $1,700—lower than the income of rural farm families in the same States. Average schooling for young Indian adults is only 8 years.

Indian culture is not job oriented. A development program to improve economic conditions on the reservation seems to have had limited success in attracting industrial concerns to locate on or near reservation sites. Under Title VII, preferential treatment may be given to Indians living on or near reservations when they are employed by business located in these areas (sec. 703 (i)).

Increasing out-migration from reservations to large cities has occurred since 1960. Los Angeles now has an estimated Indian population of 25,000, the second largest concentration of Indians. The Navajos in Arizona number 90,000. Lack of job opportunities and high rates of unemployment on the reservation provide incentive to leave.

In 1965, about 1 percent of all reservation Indians were resettled away from the reservation. The Federal relocation programs to assist Indians who wish to settle in urban areas include financial aid and social and other supportive services in the new locations. Urban adaptation may be difficult, and many Indians are returnees to the reservation. For the Indians, more so than for the Spanish-speaking Americans, escape from rural poverty creates conflict about cultural identity.

In spite of recent improvements in farm wage rates, farmworkers rank lowest in annual income. Hired farmworkers constitute one of the most disadvantaged groups in the work force. Large-scale farm operations need an abundant supply of farmworkers to harvest crops.

Individuals engaged in agriculture who reach the required jurisdictional number are classified as employers in an industry affecting commerce. Regular hired farmworkers fall within the scope of Title VII if their employers have had the required number of employees on the payroll for 20 weeks in either the preceding or the current calendar year.

Rural poverty may contribute heavily to massive urban problems including unemployment, inadequate housing, and disruption of family life. The movement of minority groups out of rural poverty into urban areas does not guarantee improvement of their economic status.

Many rural migrants are poorly equipped to deal with the complexities of urban life and are not readily absorbed into the labor market. Industrial employment in these areas may require more education, skills, and training than they possess.

The influx of Negroes into the central cities of metropolitan areas has created urban ghettos. Dr. Kenneth Clark of the City University of New York has written that "The objective dimensions of the American urban ghettos are overcrowded and deteriorated housing, high infant mortality, crime, and disease. The subjective dimensions are resentment, hostility, despair, apathy, and self-depreciation." Ghettos, whether Negro, Spanish-American, or Indian, tend to alienate the members from the opportunity structure of the mainstream. The assimilation of rural migrants into the industrial work force is a difficult matter.

Labor markets in urban areas may still be structured on the basis of ethnic identity with differential patterns of employment, occupation, and income of whites and nonwhites, and Spanish-speaking Americans and others.

The Equal Employment Opportunity Commission is continuing to develop techniques for identifying economic, social, psychological, and other causes underlying job discrimination to the end of promoting employment opportunities for these groups. For example, testing of minority group applicants for employment involves several significant questions related to full and effective utilization of manpower.

On the average, individuals from socially and culturally disadvantaged backgrounds perform less well on general intelligence and other paper and pencil tests than do applicants from middle-class environments and consequently may be screened out of training programs and/or excluded from jobs.

Since many Negroes, Spanish-speaking Americans, American Indians, and poor whites have not shared the middle-class educational culture, they may perform in an inferior manner on these tests but not necessarily on the job. Failure to hire people on the basis of low test scores alone, when they could learn the job adequately, is a tremendous waste of the nation's human resources and talent.

In the Commission's "Guidelines on Employment Testing Procedures" employers are urged to treat tests as only one component in the total personnel assessment system. The keystone is to insure that tests and all screening methods relate to the ultimate standard of job performance.

The adjustment of rural migrants to a complex urban environment is not easy. Even in prosperous periods such as the present, the structure of opportunity for minorities is limited. High unemployment rates for minorities, particularly among inner city residents, seem almost impervious to the growth of output around these areas.

Many ghetto residents may lack transportation to suburban points where employment might be found. More and more industrial plants are being constructed outside of the central cities. Residents of the inner city are underrepresented in the work places that are distant from these centers.

Although the migration of minority group workers from rural to urban areas has been accompanied by some favorable shifts in their occupational status, their representation in the most desirable occupations is still small. Changes in the occupational patterns of minority group workers must be considered in the context of changes in the occupational pattern of the country under the impact of increasing technological development.

Technological changes influence the volume, type, and distribution of employment opportunities. The basic impact of automation on the labor market is to decrease the demand for workers with little education and training. The slower pace of upgrading of skills and the concentration of the minority group labor force in the unskilled and semiskilled categories places them at a disadvantage in competing for jobs in the more complex markets of today.

Job training, basic education, and programs to eliminate discriminatory barriers to employment must be designed to give all Americans—not just those that are well educated or highly skilled—a meaningful opportunity.

I appreciate the opportunity to testify before the Commission this afternoon. I hope that these remarks will be helpful to your proceedings.

The **CHAIRMAN**: Do you have a copy of that testimony to leave with our Commission?

Mr. **SHULMAN**: Yes, I do. I left it with the staff.

The **CHAIRMAN**: Would you like to answer some questions if some of the members of the Commission have some?

Mr. **SHULMAN**: I will be delighted to attempt to do so.

Mr. **WOODENLEGS**: You say that the Indian people relocate. With the Northern Cheyenne there is a failure on this relocation. They had been relocated after the Custer Battle to Oklahoma, but my people came back 1,500 miles and walked at night. I think if they figure on the moon if they take a Cheyenne, he will find his way back to Montana.

I think as to relocation, we have some in Chicago, Denver, and California now. If they want to go themselves, we let them go. So they are working out there doing all right.

The **CHAIRMAN**: Thank you, John.

Mr. **FORD**: I want to add, to ask a question which I know is impossible for you to answer. I think your answer might be informative. Let us assume that we could somehow eliminate all discrimination on the basis of minority affiliation but still retain those problems related to the possession of skills and education. How much do you think this would really reduce the unemployment or underemployment problem that we presently find in this country?

Mr. **Shulman**: I think that is an excellent question. It points up, of course, the kind of thing I was getting at in my discussion of the testing issue. I think that it would have a large impact on reducing unemployment in this country provided that you review the educational and skilled standards to insure that they were standards which were in fact required.

If we eliminated all discrimination on the basis of race or national origin, and continued to have educational and skill requirements stated in the same manner, the impact on unemployment would be significant but not great immediately because of the need to uplift the skill level of the unemployed.

If we, at the same time, reviewed the stated skill levels and educational requirements, the impact would be much greater because we could restrict the tendency to hire for the level that the employee might ultimately reach as opposed to the level that the entry job requires.

If we were to review those levels which we currently state, plus have a training that is necessary to uplift, plus engage in affirmative recruitment in order to reach out to the people who might otherwise be passed by, then I think we could indeed have a large impact on the problem.

The **Chairman**: Mr. Stanley.

Mr. **Stanley**: Mr. Shulman, we heard a lot of testimony from the leaders of the Indian population in Tucson. One of the things that interested me, and perhaps I should add parenthetically, that I guess I should be asking a sociologist this question--but one of the things that interested me was that they said they wanted to be assimilated in terms of equal opportunity, jobs, housing, all of this, everything that our society has to offer.

Then, at the same time, I understand that they wanted to retain their cultural traditions. Do you think that this is possible? Is there anything in your practical experience that deems whether or not this is possible?

Mr. **Shulman**: I would have to answer your question by acknowledging at the outset that my practical experience with regard to this specific problem is limited. But I would say this, that our country seems to have succeeded very well in making progress with lots of groups of different people with different cultural backgrounds which they have managed to preserve, that the test is to find a manner which assimilates those who want to assimilate in the manner which leaves to them the greatest opportunity to practice the customs or religious traditions that they believe in.

The **Chairman**: Do we have any other questions?

Thank you. You have been a very fine witness. We appreciate your time, your thinking, and your deliberations.

Do we have a Mr. Frank Fernbach?

Mr. **Fernbach**: Yes.

The **Chairman**: Mr. Fernbach, I have already stated your name.

STATEMENT OF FRANK FERNBACH

Mr. **Fernbach**: My name is Frank Fernbach, and I am the assistant director for the Department of Research for the AFL-CIO.

I am most grateful for the opportunity to discuss with you some aspects of the problem of rural poverty.

The American labor movement has a long and steadfast record of support for aid for all rural Americans—both on the farm and off. This support may be viewed to be self-serving in the sense that farm laborers and wage earners in rural communities are in increasing numbers members of the AFL-CIO. And we hope those numbers will increase still further.

In addition, it is sometimes overlooked that many of the rural poor formerly worked for wages as miners, railroaders, and at other nonagricultural pursuits, and once carried union cards. They have lost their jobs because of raw material exhaustion, plant closings, and technological change. They can be found throughout the Appalachian region and elsewhere, living out bleak, impoverished and, too often, hopeless lives.

But our interest extends beyond the problems of wage earners and ex-wage earners living in rural America. The AFL-CIO seeks, as do you, a decent livelihood and way of life for all rural Americans. We, too, are appalled by the magnitude of poverty bred in our countryside, whether it exists on farms or in small towns or already has been transplanted to big-city ghettos.

I know this Commission is probing deeply into all aspects of this vastly complex and tragic problem, including not only how to increase opportunities to earn a decent livelihood for those who choose to remain in rural areas but also ways to improve the quality of rural life.

With respect to the latter, far better educational and training opportunities, housing, hospitals, and other community facilities, and social and cultural amenities in rural America also are vital if those who inevitably will continue to migrate to the cities are to have a reasonable chance to adjust to the requirements of modern-day urban life.

In addition, I am sure that you are studying the special problems of minority groups in rural America—Negroes, our Spanish-speaking fellow citizens, the American Indian, and other minority groups. And I hope that you also are giving special attention to the family income maintenance problems of low income older rural residents, the so-called boxed-in people.

Because of the limitations of time and because persons more expert than I will discuss these problems with you, I will speak briefly about some aspects of the key problem of expanding job opportunities at decent pay in rural America; first, employment in agriculture itself and, then, nonagricultural employment alternatives.

It is the AFL-CIO view that the single most important step in raising millions in rural America above the level of poverty is to raise the standards of our 3 million fellow citizens who work in commercial agriculture for wages.

It is hardly necessary to talk extensively about this issue here since it was very adequately discussed at your Tucson hearing by the spokesman for the California AFL-CIO and by others. It was also discussed from a nationwide point of view by the AFL-CIO at recent hearings of the Commission on Food and Fiber.

We view this testimony to be so relevant to the issue confronting this Commission, I request that this statement also be entered in your record.

The CHAIRMAN: We will be glad to have it.

Mr. FERNBACH: Substandard farm wages—an average of $1.18 nationwide, last October—and underemployment are not the only factors responsible for the depressed status of farm laborers. Nonwage benefits and working conditions generally are deplorable, too. And these conditions exist despite the fact that in agriculture, productivity has been rising almost twice as fast as in industry.

It is sometimes argued that American agriculture cannot afford to do better. Higher standards for its labor force would destroy the family farm, it is said.

Actually, nothing could be further from the truth. Today one-half of our farms hire no farm labor at all. What is more, a mere 6 percent of our farms—the largest and most efficient, who reap the greatest rewards from the near $50 billion received last year from farm marketings and Government subsidies—account for over 75 percent of total outlays for hired labor.

To now take steps to end the exploitation of the farmworker involves no threat to the family owned and operated farm. On the contrary, the ability of our largest and most efficient farms to continue to operate low-wage sweatshops, directly threatens the well being of the smaller family farmers who compete against them.

As a representative of the National Farmers Union recently explained:

> This concern has a basis in self-interest as well as fair play. Farmers have learned that it is the existence of a ready supply of cheap labor which has contributed so greatly to the growth and vaunted efficiency of the corporation farm. . . . It cheapens the value of their labor and that of their families. And when one considers that many small farmers work as farm labor during certain seasons, the added damage to their already insecure economic position becomes obvious.

In our judgment there is just no economic or moral reason why American farmworkers, in this the richest and presumably most humane nation of the world, should any longer suffer degradation and impoverishment. The cost of raising their living standards to meet an American concept of decency hardly would add to the ultimate price consumers pay for food and fiber. But even if it did, it is a cost that Americans of good conscience should willingly meet.

Some have characterized the farm laborer as a "forgotten man." On the contrary, farm labor has not been forgotten—it has been deliberately discriminated against.

For more than a quarter century, and until very recently, the most reactionary employers' lobbies, in agriculture and out, have enjoyed continuous success in keeping the farmworker in what amounts to near bondage. Both in Washington and in the capitals of most of the States, they have succeeded in excluding farm laborers from the protection of most of the Federal and State laws that have been enacted to advance the welfare of other workers.

Generally unorganized, and often disenfranchised by lack of permanent residence, by poverty, by lack of education, and by race, few voices have been raised in their defense.

As a consequence, farmworkers, the most insecure group in the American labor force, have been forced almost universally to bear the total brunt of their own joblessness. This is due to the fact that they are excluded as beneficiaries under all unemployment compensation laws except in Hawaii and Puerto Rico.

Even though farmworkers are employed in one of the most hazardous of occupations, their employers are still exempted from any liability under the workmen's compensation laws of a majority of the States.

Although farmworkers earn the lowest average wages of any group in the labor force, for 30 long years they have been singled out for exclusion from minimum wage protection under the Federal Fair Labor Standards Act. Only this month has this situation changed, somewhat.

Although farmworkers are now covered for the first time—and this is a significant forward step—less than 30 percent will be covered, and even they will receive only a substandard minimum wage. What is more, they are specifically excluded from premium pay for overtime work.

Even their children are victimized by unjustifiable special exclusions written into Federal and State child labor laws, although the exploitation of children has been virtually wiped out in other industries.

As though to finally ensure the bondage of American farmworkers, even the law of supply and demand in the domestic marketplace for agricultural labor has been upset. Despite the fact that American farmworkers are chronically underemployed, they alone have been forced to compete, and still are, despite the end of Public Law 78, against an army of cheap imported foreign farmworkers that still pours across our borders.

Finally, and most important, agricultural workers have even been denied the right to seek to help themselves through self-organization and collective bargaining. For 30 years they have been, and still are, specifically deprived of the protection of the right to join unions of their own choosing long afforded other Americans under the provisions of the National Labor Relations Act.

What is more, even when farmworkers do successfully organize, their employers are under no compulsion to bargain with their union in good faith.

Since 1940, the number of man-hours required to produce our food and fiber, provided by farm operators, family members, and hired workers, has been cut by more than half, and we cannot anticipate how many agricultural laborers will be needed in the future.

But, whatever the number, the AFL-CIO feels it has a right to ask the help of this Commission and of all right-thinking Americans to bring to farmworkers the benefits of the protective and social welfare legislation other American workers enjoy.

Therefore, we respectfully urge that you include in your report to the President at least these basic recommendations:

(1) That farmworkers be covered under the National Labor-Management Relations Act.

(2) That farmworkers be fully covered under the minimum wage, maximum hours, and child labor provisions of the Fair Labor Standards Act.

(3) That farmworkers be covered under the provisions of all unemployment compensation laws.

(4) That farmworkers be covered under all State workmen's compensation laws and other State legislation enacted to raise the status of those who work for wages.

(5) That farmworkers be protected from the inevitably adverse effect of labor import programs, by finally terminating them.

(6) That greater efforts be made at all levels of Government and by private groups to significantly improve housing standards, educational opportunities, and health protection, particularly in behalf of migrant workers and their families.

As the earnings of farmworkers rise, an important byproduct, as we have seen, will be higher incomes for small farm operators who occasionally hire out as farm laborers. Although we recognize that many of these marginal farm producers are losing the race against technological progress, additional efforts to help them also should be made.

This is particularly necessary in behalf of older farm operators for whom retraining for new occupations and out-migration are hardly feasible alternatives.

For example, it should be probed whether more might be done to help raise the income of this group under Federal commodity and other established farm programs. Several commodity programs—such as those for feed grains, cotton, peanuts, tobacco, and sugar—now allow higher crop allotments and support payments for very small producers, and supply-management objectives are not undermined as a consequence.

Since only a few dollars added to the income of marginal farmers often may spell the difference between sufficiency and impoverishment, more aid for this group under these programs might well be undertaken. While this effort may be derided by some as "welfarism," it is well to recall that when substantial Federal checks are sent to large and already profitable agricultural producers, this is welfarism too—no matter what they choose to call it—but for those who need aid far less.

Since marginal farm operators often also seek part-time nonfarm work, another helpful aid can be recommended. Too often factory workers in rural areas are exploited because, in rurally dominated States, minimum wage, workmen's compensation, unemployment benefit, and other legislation needed to protect these workers is inadequate or nonexistent. Because of this legislative default, minimum Federal standards are now clearly needed.

Their achievement will help to raise the incomes of rural industrial wage earners, whether they work full time or only seasonally.

Finally, when elderly farm operators become eligible for social security benefits and Medicare, further steps might be taken to help the process of readjustment. To assist those who seek to, or must, leave the farm, some responsible agency should be established to help them sell their land, tools, and livestock advantageously and resettle them closer to a nearby and familiar town.

I now wish to make a few brief observations about some of the problems inherent in encouraging the growth of new off-farm job opportunities in rural areas.

In the first place, although at every rural county seat there is a natural longing to attract enough factories to employ the jobless and underemployed in the surrounding area, it must be recognized that America is experiencing a technological revolution in manufacturing, too.

There just is not, nor will there be, sufficient factory job expansion to resolve the rural or the city job need. Consequently, rural employment growth must also depend upon the expansion of services in commerce, in recreation and tourism, in public institutions, health, educational, penal, and the like, and via other nonindustrial enterprises.

What is more, attracting and holding these job-creating enterprises requires a realistic assessment of what each locality and region has to offer in natural advantages as well as the creation of an adequate supporting infrastructure, mostly at public expense. Thus, careful development planning is an essential precondition to successful employment growth.

Moreover, job growth should not be encouraged of the kind that simply is achieved by robbing Peter to pay Paul. The mere luring of a factory from one place to another, often at a high cost to the recipient locality as well as tragic consequences to the workers and community from which it has been pirated, represents no net national gain.

To help reduce this wasteful process, we hope your report will note and condemn the spreading misuse of tax-free public, State, and local bonds for the subsidized building of plants for private profit, with all of its evil consequences.

Because time does not permit me to adequately discuss this important issue, I hope you will accept as part of the record, a study of the problem, entitled "Subsidized Plant Migration," recently undertaken by the AFL-CIO.

The CHAIRMAN: We will be glad to.

Mr. FERNBACH: When, in the mid-1950's, the American labor movement united with the Farmers Union, the Grange, and the Rural Electrification Administration to seek Federal legislation to launch a meaningful effort to aid rural and urban distressed areas alike, these three propositions—the need to encourage diverse job-creating opportunities, the need for careful advance planning, and the need to prevent plant piracy—were all clearly recognized.

Passage of the pioneer Area Redevelopment Act of 1961 was a milestone, and subsequent enactment of the Appalachian and Public Works and Economic Development Acts moved us further towards our goal. All of these measures recognized sound principles through which to achieve area and regional job growth, even though none provided sufficient appropriations to move fast enough towards our goal.

We hope the Commission will recognize the importance of broader implementation of these measures as well as their supplementation by others that experience now indicates are desirable. Among these are the initiation of a truly Federal public employment service and the establishment of a nationwide system of relocation loans and grants to help stranded farmers and workers and their families who wish to relocate to places where jobs can be obtained.

Finally, and within the context of expanded employment opportunities to which this testimony is addressed, we also hope you will particularly note what in our view is one of the most important recommendations of the National Commission on Technology, Automation, and Economic Progress. I refer to the concept of a public service employment program.

While the Employment Act of 1946 proclaims maximum employment as the national goal, it is evident that many who are anxious to work now cannot hold a job, even in a booming economy. These people are essentially the unskilled with little education and suitable work experience, unprepared for ordinary employment. They now exist in great numbers both in rural and in urban America. For them, it is proposed that the nation launch a direct and especially structured program of job creation.

Such a public service employment program would provide unskilled but useful jobs in public and private nonprofit institutions —educational, medical, recreational, and the like—that otherwise would not be performed. It would provide adequate wages without replacing existing workers and, if supplemented by proper training and counseling, it would seek to prepare the participants for regular employment.

The Automation Commission proposed that $2 billion in Federal funds be appropriated in the form of grants-in-aid to State and local governments, to initially provide 500,000 jobs of this type. In my judgment, this kind of special job-creation program would perform an immensely useful role in rural America as part of a many-faceted effort to eradicate impoverishment.

The CHAIRMAN: Thank you, Mr. Fernbach, for your very fine testimony. Would you like to answer any questions from members of the Commission?

Mr. FERNBACH: I will hazard it.

Mr. HUTCHINS: I would like to ask in that last suggestion which seems to be very important, you are thinking of two kinds of persons, some persons who might not enter regular employment channels and also those who would enter regular employment channels after work experience and training.

Mr. FERNBACH: That is correct. As optimists, we would hazard the possibility that with counseling, with supplemental education, perhaps in an effort to eradicate illiteracy, with work experience of holding a job, which is a unique one for many people, that these folks might ultimately be capable entries in the labor force.

Mr. ROESSEL: Mr. Fernbach, in Tucson, a gentleman whose name I have forgotten, gave a statement with regard to the electronic plant which was located on the Laguna Indian Reservation. He pointed out in this particular instance it was not the matter of closing down the plant and locating in another community but expansion in which jobs were increased, new people were hired.

Would your organization have any objections to this?

Mr. **Fernbach**: Well, I would say we would not if the fact as stated were checked out to be correct. We were initiators of the Area Redevelopment Act, now the Economic Development and Public Works Act. We worked with Senator Douglas at the very beginning to get that legislation. This bill simply posits the proposition that with the investment in this country of over $60 billion in new plants and equipment annually, a larger allocation of that total should go to certain Federal sources to entice them to those areas of the country where the job need is acute.

This does not mean exclusively rural America. There are areas of urban America where there is distress. And there are sections of metropolitan America where there are inadequate or no jobs, and the unemployment rate in the center is 25 percent, as you know.

All we ask in that act, and we have got it—it is in the Appalachian Act and it is in the Manpower Training Act—is that these subsidies, tax-exempt subsidies simply not be given to runaways. A plant expansion is another factor. An entirely new expansion is not the same as where you resolve a problem on an Indian reservation by throwing a hundred other people out in the streets in New York or New Jersey.

There is no net gain for the country, and I would hazard that it is a substantial loss because the kind of employer who will do this not only walks away from his responsibility in New York but I don't think he will diligently fulfill his responsibility to the employees on the Indian reservation.

The answer to your question, and I have unduly lengthened the answer, is that we would approve of the circumstance you cite.

Mr. **Roessel**: I think this is significant because we have heard and those who would be associated with Indians have heard many times of the Indian's strong desire for reservation development which would include the type of thing under the condition you mentioned which would be helpful to Indian employment.

Mr. **Fernbach**: I want to have it frankly stated that while we support those kinds of new employment opportunities on reservations or elsewhere that are clean, I have personally called on the Secretary of the Interior because we were deeply opposed to certain situations of that nature which were unclean where, in our judgment, the circumstances are clearly that of a runaway plant or an industrial runaway seeking to exploit the Indians.

We prevented by our union organization their exploiting the workers from the community they were in. I say this is a sensitive subject and it may be that we and the administration might clash in interpretation.

All we can do under the law is to seek the facts, and I think the law safeguards workers against the enticement of their plants away from them.

Mr. **Libby**: Mr. Fernbach, I have a feeling that there has been a tendency in the specific area from where I come for certain industries to move into the rural areas because they can exploit the labor, and I am thinking here of shoe manufacturers as a case in point.

Do you have any evidence that this has taken place to any extent at all?

Mr. FERNBACH: The removal of plants to exploit the abundancy of rural labor?

Mr. LIBBY: Yes.

Mr. FERNBACH: Yes, I think the whole history of the migration of much of the textile industry in northeastern America involves certainly an effort to get closer to the source of their raw material but certainly also to get closer to the source of cheap docile human labor.

Textile labor in the South is still substantially unorganized because of hostilities of the community rather than of the workers.

Mr. STANLEY: At the risk of appearing self-serving, I would like to ask a question or two if my colleagues will indulge me. Surprisingly enough, as we have taken the testimony in Tucson and also in Memphis, the various association programs that you have outlined from the very beginning of your statement have indicated that the farm labor generally wasn't covered by them. It has been brought to our attention by a number of these witnesses who were not in the same business you and I were in, representing workers, and it has been interesting to me to listen to various advocates for these programs to be expanded to cover farm labor.

I view you as somewhat of an expert in this field, and you are certainly a little older and much wiser than I. I would like to ask you why or what is the rationale here. Why have they been excluded all of these years?

Mr. FERNBACH: Well, I think poverty, as far as most folks are concerned, that is unseen results in inaction. I feel that there is, at this point in time, a heightened sensitivity on the part of the public towards the problem of poverty across the board. When I was a young fellow, as were others here, we had over 15 million Americans unemployed and poverty was universal.

There was hopelessness back in the mid-1930's, and this wasn't very long ago, if you measure history in broad sweeps. We didn't even count the unemployed in the midthirties in this country. We knew how many cattle in Texas had hoof-and-mouth disease because there was a very powerful farm lobby which saw that answers were provided.

We didn't know how many human beings were unemployed, and we didn't know very much else about the human state. I would say that poverty that is unseen by city people generally doesn't disturb them very much until guys like the late Edward R. Murrow did a magnificent job to move this issue into the homes of the American people in a program called the "Harvest of Shame."

This played a great part as well as other moral commitments of church workers and association workers in bringing us allies, effective allies, without whom we could not have gotten rid of the braceros program under Public Law 78 and without whom we could not have gotten less than a third of the farmers finally covered under the Fair Labor Standards Act.

I think that the very fact that as a nation we have moved the majority closer has made those in poverty stand out a little further. There are a variety of answers to the question you just asked. I am not sure I came to the one you hoped I would.

Mr. **Stanley**: Yes, I must take that as a question, really. I am interested to know, everyone has commented on it and has expressed regret at the fact that these programs have not, up to now, reached the farmworkers, the farm people in this country. Why, at the outset, were they excluded from workmen's compensation which had been in effect in Wisconsin in 1913, employment compensation?

Mr. **Fernbach**: I researched this out on one occasion, and I found that the language used by Franklin Roosevelt when he asked the Congress to enact a fair labor standards act specifically included those who work in factories and those who work in the fields. But in 1930, the influence of big agriculture in the Congress of the United States was considerably greater than it is today.

And today it isn't insignificant. I state in this testimony about the lobbies of large growers, and believe me, they are powerful and influential still.

The late Jim Mitchell, Secretary of Labor under Eisenhower, has said that this was the toughest lobby he ever came across in his life, and this was in the midfifties. These forces were far more powerful in the midthirties than they are today, and Franklin Roosevelt, as a consummate politician, I think, in terms of these Federal laws, decided to take as much of the loaf as he could get.

That is precisely what he did and that is what you and I would do.

Mr. **Stanley**: You are saying that it is political rather than sociologic?

Mr. **Fernbach**: Sociologic and economic would imply that the need wasn't there. The need was there but it wasn't met.

Mr. **Stanley**: There is no sound economic reason why it was not included at the outset?

Mr. **Fernbach**: Let me say now there is less of a sound economic reason today but there was none then.

Mr. **Neil Davis**: I want to ease my feeling of guilt. You brought into focus something here that certainly we, in certain parts of the South, are going to have to be concerned with. That is the amount of enticing industry south. In fact, that is the program of some political leadership, to bring industry into the South so as to give the submarginal people something to do—that is, work—and as an added attraction to make certain tax adjustments or so on.

You take a very firm position against that as the approach to the problem. In fact, if not unsound, of dubious morality.

Mr. **Fernbach**: Essentially, it is a tremendous subsidy for the incoming employer, undertaken by the community that meets the price. It is partly because of the favors it gives the employer, because of the absence of property taxes and other special considerations, and part of the price is underwritten by all of the American people because that factory is built at low cost because of the impact of tax-free State and local bonds.

Now tax-free State and local bonds have been long sanctioned in order to help local government, particularly to provide public services, not to provide services for private profit. We are not opposing the concept of subsidy to put plants at the right places where needed because this is also done under the terms of the former Area Redevelopment Act, now called the Public Works and Economic Development Act.

But before you can get Federal aid, the Federal Government will insist that you do a lot of other pre-things that are essential. Number one, set up a communitywide committee with proper technical assistance to make a thoroughgoing, hardheaded, realistic investigation of what it is appropriate to bring to your community.

What are the natural advantages and what are the disadvantages. Believe me, many a town in Mississippi has stolen a plant most brashly and wish they hadn't done it because the plant packed up and left as soon as anybody in the town levied a penny of tax on them or as soon as the workers joined a union or perhaps they packed up and left as soon as they could get cheap labor in Puerto Rico and after Puerto Rico, they went to Taiwan, the runaway——

Mr. **Neil Davis** (interrupting): Let me interrupt. I am sure you are aware that the test of political leadership is the number of new jobs created in a certain State.

Mr. **Fernbach**: Let me ask this question. How many of those jobs are paid substandard wage?

Number two, how many are stolen from other workers in other parts of this country who now are jobless? This is precisely the issue that this public statement raises. I hope you will read it closely. We support helping these communities by the Federal program with proper safeguards.

Mr. **Ford**: We heard testimony from another man, which certainly is not in opposition to this minimum wage law for farms, but he pointed out that in an 11-county area in the Mississippi Delta, some 11,000 workers were going to be displaced from their jobs, immediately creating certainly a severe crisis for them. What do you see as the best means for taking care of this type of situation, and what is the attitude of the AFL-CIO to these types of people who inevitably are going to be displaced by the legislation that has been introduced?

Mr. **Fernbach**: I won't deny for a moment that there are some instances where the marginal employer, where a minimum wage is installed and goes up, will seek to get along with less workers. But if we would be too responsive to this problem, we would still be living in the Middle Ages.

When the first law was passed that forced a company to put in safety devices, let alone insure its workers against accidents, it was argued that this was pure communism and furthermore it was totally self-defeating, that the increased cost would, if not force him out of enterprise, would force him to reduce the number of workers.

We got the same argument and the problem existed to a slight degree. But we got the same argument, if you recall, back in the 1930's, when the first minimum wage was established under Federal law. What was that minimum wage? It was 25 cents an hour.

Now, frankly, I believe that employment that can't pay $1 an hour should be dead. The command of a human being's time for 1 hour, no matter how effectively or usefully he enriches his employer, deserves that kind of wage and that is precisely as little as is going to be provided by the new Federal minimum standard for the first 2 or 3 years of operation.

It begins at $1 and ultimately ends at $1.30.

Mr. FORD: I think we would all agree with this. It seems to me that during this period of time in which organized labor has been working they would have given some further thoughts for programs to handle these immediate crises that are——

Mr. FERNBACH (interrupting): I frankly would take with a grain of salt some of these dire threats. We have heard them all before. We have never organized a plant in which we weren't threatened with closedown of a plant. Occasionally, it has happened. Employers somehow adjust very often to changes over time when the pressure is sufficiently great.

In my testimony I have spoken in terms of the proposal of the Automation Commission to establish a public service employment program. If these people can't be employed in cotton picking at $1 an hour, the new Federal minimum wage, if their employers choose to discharge them and the workers choose not to migrate, I would think they ought to be absorbed under the public services employment program, and we so propose if it could be created and we hope to create it.

Mr. STANLEY: Wouldn't it have been true if this thing had developed in the right sequence they would have been protected under the unemployment compensation during an adjustment with retraining, picking them up and going into other employment?

FROM THE FLOOR: Unfortunately, for the same reason they aren't covered by minimum wage, they have not been by unemployment compensation. So we have relied traditionally on unemployment compensation to curb the impact. I would agree with what Mr. Fernbach has said.

Consequently, quite recently, with the manufacturers in the State where a gross margins tax or a value tax has been considered as a method of taxation on industry, they take the position that if this is done, it is a tax on labor profits, interest, et cetera, that because it is a tax on labor that they will automate or mechanize, and as a result, unemployment will grow. There will be less employment.

Well, this is not completely true any more than it is true down in the Mississippi Delta of what is going to happen there. It is true to an extent. But these things probably will be done anyway. They may be done a little faster. The farmers down there would have done this because efficiency demands it, productivity demands it. Mechanization, automation, cybernetization are as inevitable as tomorrow's rising sun.

I think specifically on this that because the farmworkers have been neglected they don't have the cures they can fall back on.

Mr. FERNBACH: May I comment in support by asking this question, which is rhetorical? Would the employers of the supposed 11,000 workers in the Delta county of Mississippi—would these employers sign a guarantee to give these people a guaranteed annual wage for 5 years or 10 years if they were willing to accept, say, 95 cents an hour?

Would these employers be willing to assume any social liability in terms of these people who indeed were their ex-slaves? They seek to undertake no liability except for rare exceptions, which are outstanding, some of whom I know. I happen to also be a member of the Commission on Food and Fiber.

We have on that Commission a representative of Mississippi from the delta country who has inherited and farmed 2,000 acres in cotton.

He is terribly morally sensitive to this problem. I want to make that clear for the record, and there are many others. He, however, supports and has indicated to me that he personally supports and will vote for this, because we will deal with this question, and also because it interlocks with yours, and the Food and Fiber Commission supports these programs for the inclusion of farmworkers under social and protected legislation.

The CHAIRMAN: Thank you, Mr. Fernbach, you have been a very fine witness.

Is Mr. Clifford Ingram here? Is Mr. Richard Wenner, also a witness?

Gentlemen, would you state the group that you represent and you may begin your testimony.

STATEMENT OF CLIFFORD INGRAM

Mr. INGRAM: NACD, sir. I am Clifford Ingram of Monterrey, Tenn., where I serve as executive director of the LBJ & C Development Corporation. I appear here today as a representative of the National Association for Community Development on whose board of directors I am pleased to serve.

The CHAIRMAN: By the way, if I may interrupt. That LBJ & C almost broke up the hearing. Maybe you better explain that again for some of the Commission members.

Mr. INGRAM: It stands for—it happens to be honestly the name of our Tennessee towns, Livingston, Burristown, Jamestown, and Cookeville.

I am glad you remember the name of the man who came from our section. I am also here as a representative of the National Association for Community Development on whose board I am pleased to serve. I would like to say this about the area that I come from.

It is a five-county area in Tennessee, the birthplace of Cordell Hull, and the birthplace of Sergeant York. These men were born and reared in this five-county area. But this is a tragic area. There are too many in such areas born to be unseen and to waste their sweetness on the desert mountain air, as the poet once said.

NACD is a private, nonprofit organization with offices in Washington, D.C. It was incorporated in March 1965, for the purpose of stimulating and assisting the national effort to provide all citizens with the opportunities and assistance necessary for them to realize their full human and economic potential through education, job training, neighborhood organization, agricultural and business development, and programs of special social services.

NACD also aims to (a) promote professional competence and growth in the administration of State and local community development projects; (b) stimulate interest and research in the development of human resources among charitable and educational institutions in the community and among the widest possible segment of the American population; (c) enhance the relationships among National, State, and local agencies whose purposes are to promote and assist the development of human resources.

We welcome this opportunity to testify and we are pleased that there is this national attention being given to the issue of rural poverty.

Although our organization is one devoted to across-the-board community development, we are an outgrowth of the War on Poverty. In this context, we would hope that you will not stray from your fundamental mandate to study rural poverty. There are altogether too many people who want to sweep the problems of rural poverty under the carpet by indulging in romantic flights of fancy about the "goodness of rural life."

But Secretary Freeman in a speech at Louisville, Ky., on January 25, 1967, had this to say about rural America and I am not going to quote all the statistics he gave us. It is in the record here and you can read them. Let me simply say he destroyed this myth. If you would come and spend one day in my section, that would destroy the myth, also.

There is a more powerful band who have the same objective of hiding or forgetting rural poverty by pushing a type of "trickle-down" theory, which talks about rural community development. This is not our kind of community development, but rather one that says if you put your money in rural industrialization, small businesses, and other business-promoting projects, everything will be cured and rural America will be saved. In other words, your money, your energy, and your brains.

In response to this theory, we would like to quote what Vernon J. Ruttan, head of the Department of Agricultural Economics at the University of Minnesota, had to say about rural poverty in his paper entitled "Agricultural Policy in an Affluent Society," a portion of which was published in the Journal of Farm Economics, December 1966. I have a whole page here, but I am not going to quote it; I am not sure I could pronounce correctly the words he uses anyway.

I would like to summarize. He says you can't solve the problems of the rural poor by beefing up farms and farm programs and hoping this will trickle into the homes of the rural poor. There must be a direct confrontation with poverty.

No dreams or panaceas will erase the fact that rural poverty is a national disgrace, in itself, and that it demands the nation's closest and most careful attention.

At this point we would like to introduce into the record a publication of our association entitled "Dimensions of Rural Poverty." As this publication indicates, 29.1 percent of our nation lives in rural America but 43.4 percent of the poverty is there. But nowhere will you find 43.4 percent of the nation's attention being given to rural poverty.

What is both the cause and effect of these statistics about human beings are the equally depressing statistics about the poverty or shortage of services and institutions in rural America. As the booklet outlines, and Secretary Freeman concurs, rural citizens do not enjoy the same education, health services, and other benefits that our urban citizens do.

We hope that your studies fully examine and publicize the dearth of services and institutions in rural America.

In this regard, your studies will reveal shortages related to all the rural citizenry, but we strongly insist that you go further and study the great shortages of programs aimed specifically at the rural poor.

May I refer to one of the resolutions of our Conference on Rural Poverty held here in Washington, D.C., on January 29 to February 1, 1967. I would like to introduce all of these resolutions into the record.

The CHAIRMAN: You may.

Mr. INGRAM: I would like to comment on the one regarding the U.S. Department of Agriculture. Permit me to quote one paragraph on the preamble: "Whereas, the Department of Agriculture presently has no significant or sufficient programs in operation to ameliorate the often desperate situation of the rural poor. . . ." This resolution as reported from the Resolutions Committee said that the USDA has no programs for the rural poor. Well, that is a rather damaging statement and on the floor it was amended to read "no significant or sufficient programs."

I don't know if any of you have had experience in throwing rocks at hornets' nests. There were a lot of hornets. There was a lot of frustration among the directors, and I think the reason was, or one reason, is simply because they haven't been able to do the job for which they were hired. There was hostility because they have a feeling whether it is right or wrong that no one really gives a damn about the rural poor.

Let us go back to the original statement.

In reality USDA has no programs for the rural poor or, to put it another way, the USDA has no programs whose sole purpose is to serve the rural poor. USDA has a program for hog cholera, durum wheat, navel oranges, burley tobacco, and long-staple cotton, but none just for poor human beings.

Now, you may want to argue that Extension educates poor people—oh, yes, but mainly commercial farmers, and the same is true throughout the other departmental programs.

What the USDA calls the Rural Community Development is not solely a program for poor people and, as Dr. C. Edwin Gilmour said in his speech at our conference, which we would like to insert in the record, while in fiscal year 1967 the appropriation for the Rural Community Development Service is $637,000, the budget request is $450,000 for fiscal year 1968, an obvious retreat before the war is nicely started.

But let us talk about this for a moment. The Rural Community Development Service, is, for the U.S. Department of Agriculture, a rather revolutionary departure from its usual concern with tobacco and cotton to a concern for rural communities.

Let me say quite honestly, in the fall of 1965—the organization has been in existence since 1964—one or two representatives from RCDS rendered us a lot of technical service. Secretary Freeman created this service in 1963, and for fiscal year 1967, requested an appropriation of approximately $3.4 million. Well, the USDA's congressional committees were not quite ready to desert cotton for communities, so they massacred the request and finally appropriated the $637,000.

In all of this we must remember that the USDA is the product of its environment and its clientele group. Its congressional base is well known both in terms of their likes and dislikes. Its academic base is completely in the hands of the land grant colleges. The outside research for the Department is done by these same institutions.

A high percentage of the senior staff of the Department is the class of the 1930's and what were once New Deal radicals are now part of the establishment. Finally, one cannot overestimate the effect that the Department's constituency, the commercial farmers of our nation, have had on its policies and operations.

Again, let us quote Secretary Freeman in his January 25 speech:

> It is unrealistic to expect—and cruel to hold out hope—that farm commodity programs can bring salvation to the farmer whose inadequate size farm no longer can sustain him. Commodity programs are not designated to do that. They are not welfare programs. They are designated to make possible a tolerable balance between supply and demand in the market so that the adequate size commercial family farm can earn a fair price for its products and a decent standard of living for its owner-operator.

You can be just as critical of the Office of Economic opportunity in its stewardship of the war on rural poverty. This agency has had similar shortcomings. Its theoretical base is in the urban scene, the Ford Foundation gray areas program and President Kennedy's juvenile delinquency program. Its bureaucracy is heavily urban-oriented—born, bred, educated, and indigenous to the urban culture.

USDA has had few "bright young men" to send OEO as rural specialists. Finally, OEO's primary constituency, at least the aggressive grant-seekers and their vocal allies, have been the big cities and the big-city leaders. So with 43 percent of the Nation's poor living in rural areas, OEO spent something like 8 percent the first year and 15.5 percent the second year on rural community action program grants under Sections 204 and 205 of the Economic Opportunity Act.

Rural projects have never had the interest or the helping hand of the Office of Economic Opportunity. There has been no one at the Director's level who thought or cared about rural programs. Buried down in the bureaucracy is a Rural Programs Division, which has never had more than a handful of employees and which has never enjoyed any audience in the agency.

OEO guidance in rural projects has ranged from totally missing to misdirection. OEO has never had enough field analysts to visit and aid rural projects. The few that are available change projects every month, and with each new analyst, the rural community action agency gets a new set of instructions.

OEO has been ambivalent about its policies and procedures and about which rural programs it would approve. It has never spent any time or money on research or demonstration projects to find some answers.

What rural community action agencies have needed more than anything else is technical assistance and training. But again OEO has not developed a comprehensive training program for rural

CAA's. Technical assistance has not reached the rural CAA's which need it most, and although last year's Congress authorized additional technical assistance activities, of inestimable value to rural CAA's, the new program is not yet off the ground.

I want to make this point specifically. I am not attacking Mr. Freeman or Mr. Shriver. I have had the opportunity to talk to both of them. I am impressed with their dedication, energy, and administrative abilities.

What I am trying to say here—I don't want the nation to be under any illusions about what is going on in rural poverty on the part of the Federal departments and agencies. We might note the same lack of concern about and expertise in dealing with rural poverty in other Federal departments and agencies, and in State, county, and local rural governments. We note these facts as a basis for determining where we must go.

I breezed down I-40 from Nashville to Monterrey to catch a plane. I listened to Chet Huntley on the national hookup. He was talking about a problem in Congress at the present time over the President's question on the war on crime. In the comments he made he concluded them with this. He said there is accumulating evidence that America or the great majority of Americans do not understand poverty and do not even know any poor folk.

I don't know what your background is. If this be your situation, my board of directors invites you to come to our area any time you want to. We met last night. They knew I was coming, and I would like you to have the same experience that one of my workers had last summer.

He stayed in a home. It was a luxurious home: it had an outdoor privy. If you don't have an outdoor privy, it is not luxurious. There were 13. Said any time you went to the outdoor privy, you had to count to see where they all were. By the time you got through them, you had to move around and recount to see that any hadn't left.

If you will come to our area, I will promise you some of the same experiences.

Where do we go?

We see every indication that the nation is ready to do something about rural poverty. Your existence and that of the cabinet committee is one indication. References in the President's state of the Union and budget message are others.

NACD's Conference on Rural Poverty is an interesting commentary on this point. First, there was remarkable interest shown in attending our conference. Rural CAA directors, as well as extension people and representatives of the U.S. Chamber of Commerce, asked to be invited. We had a record attendance from 45 States and we had to turn people away.

The president of our board, Mitchell Sviridoff, administrator of the Human Resources Administration, New York City, said that it was the most intense, information-seeking audience he had ever seen. People stayed to the very end, seeking as much information as we could provide. So the thirst for action is here.

While there is general agreement that our rural local governments and counties are not the most responsive governmental structures when it comes to the poor, and while rural America lacks sophisticated private organizations in the field, new community action agencies under the Economic Opportunity Act can fill these voids.

A good rural CAA, and there are nearly 700 rural CAA's covering approximately 1,500 of the Nation's 2,500 rural counties, can weld public agencies and programs with private organizations and initiatives together with citizen participation into a new viable structure for rural America.

Our association is deeply committed to strong community level programs of citizen and community development. Our cities are going to get the job done, through strong political leadership and many other necessary ingredients. We insist that the same thing must happen in our rural counties and the only hope we see for it is through the sophistication of strong rural CAA's.

We yield to no one in our commitment to our representative democracy, but we also are satisfied that participatory democracy is here to stay as well. The time is fast disappearing when we can afford either the luxury or the inhumanity of keeping part of our citizens out of the decision-making process. This is especially true of allowing those who are affected by programs—they must be a part of them from the beginning.

Actually, there is a chapter of history in this regard in rural America, because the New Deal farm programs were all designed by Secretary Wallace and his brain trust to be developed and administered by farmer committees affected by them. Therefore, the requirement that one-third of a CAA Board must represent the members of the groups served by the antipoverty program should not come as any great shock to rural America. But it does, and that is a sad commentary on our farm programs and on our middle-class institutions.

While there may have been a time in OEO and CAA history when the new nonprofit corporations, which have almost universally been used for CAA's in rural America, resisted the involvement of public officials to form a second one-third of the CAA board, this is hopefully a thing of the past. The sound CAA realizes that the public bodies and governmental institutions are here to stay, and the wise course is to join them and to invite them to become a part of helping fight rural poverty.

Given the inherent conservatism and the farming bias of these public officials, this is not always the easiest thing in the world to accomplish and the marriage is not always happy.

With the remaining one-third of the CAA board representing private agencies and institutions, you should succeed in reaching all segments of the community. Within this general representation formula some new leaders of the rural community ought to be included. Again, hopefully, these will be courageous individuals who will want to drag rural America screaming into the 20th century.

The CAA not only brings this policy legislation decision-making board to rural America; it brings new professional resources. The CAA staff contains a new type—the "people-oriented" generalist. This new resource is of the greatest importance, because in most instances the human development, social planning professional will be the first of his kind in most rural communities.

For the first time someone from a rural community will have the know-how to locate and go after the multitude of Federal programs available to our citizens and communities. The big-city mayors have developed a system for getting Federal grants; rural CAA staffs should develop the same expertise.

We challenge you to look positively on the CAA. Certainly, it is not perfected. The oldest rural CAA's have operated for 2 years, but many have been in existence much less time.

Let us examine what a CAA is and does. It is a local institution, endeavoring to group together natural communities. It does not do away with existing local and county government. It welds together these public bodies with private institutions. It allows for participatory democracy with everyone, including those served by the programs involved. It brings new professional resources to rural America. It provides a vehicle for bringing all relevant programs to rural citizens and communities. It coordinates different programs and projects at the local level.

While there are other proposals for some type of local rural district, their outlines are vague. To date, the CAA with all of its blemishes holds out the most hope for our rural communities. One topic which must be studied soon is how to bring some rationale to this whole problem of local districting and how to develop means of coordinating the local districts with regard to different Federal programs.

Finally, a word about programs. As an organization dedicated to human and community development, we believe most strongly in programs which zero in on the problems of people. We do not believe that agricultural commodity programs are doing this, and we insist that pure economic development programs have only tangential effects in this regard. We urgently request that in your study you be thorough and honest in evaluating the effect that programs have on the needs of the rural poor.

Positively, we must develop major new programs to reach the rural poor. While not enough research and demonstration has gone into this effort, permit us to check off a few obvious ideas. We believe that:

(1) The nation must undertake a massive program of adult literacy. It is a blot on our history that as of the 1960 census there were 8.4 percent or about 15,000,000 of our citizens 25 years and older with less than 5 years of school. All of them are not in rural America, but more than half are. Please remember that these are citizens who are legally entitled to vote.

(2) The food stamp programs should be made universal, but with the provision that persons with incomes of less than a reasonable level need not make personal contribution.

(3) The nation should adopt a housing program for the rural poor using a combination of public housing, nonprofit housing, rent supplement, flexible interest rates, and other techniques to guarantee adequate shelter for all.

(4) A combination of social security for all at lower age levels, standby public employment, welfare payments on national standards, and unemployment compensation related to all private and

public employment should be used to guarantee an adequate income for all rural citizens.

(5) Manpower training programs related to the national job market should be available to all rural people. These programs should include related service programs to the entire family. If movement to a job location is necessary, there should be continual work with the family before and after the relocation.

(6) There should be a national program of proper incentives to help industry which wishes to move to rural areas on a sound economic basis.

(7) There should be programs to help rural America strengthen its service industries and commercial establishments so that rural communities enjoy services similar to those available in urban centers.

(8) There should be programs to bring all social institutions such as the schools, the health department, and the libraries to a modern level of services.

We trust that once more you will focus on programs just for the poor. This gets a little touchy in rural areas since having a good educational program just for the "have-nots" is a little embarrassing to the "haves" but it is a good lesson, and very quickly local school authorities will get with it, and there will be a satisfactory educational program for all. Perhaps that is as good a definition of community development as any.

Community development to us means human development. The nation can no longer turn its back on the human development of our rural citizens. The eyes of the nation are on this Commission. Its recommendations to the cabinet level Committee on Rural Poverty and to the President are a great opportunity for rural America. The rural poor will be watching to see whether cotton is still more important than citizens and communities.

The CHAIRMAN: Would you submit to some questions by the members?

Mr. INGRAM: I will try. I would like to introduce Mr. Richard Wenner who is the executive secretary.

The CHAIRMAN: We are very glad that he is at the table with you.

Mr. INGRAM: He is backing me up.

Mr. ROESSEL: Mr. Ingram, you presented some figures which seem to be different from figures that we received this morning with regard to a portion of the OEO budget that is devoted to rural areas of this country. I wonder if you might enlighten us in terms of your breakdown on the figures that Mr. Shriver gave us this morning. I assume it is for the past fiscal year, this 34 percent. He broke it down listing the Job Corps, CAP, and so on, and he comes up with a total of 34 percent for the OEO programs for the rural areas. I notice that you come up with 15 percent for the same period of time.

Mr. INGRAM: Yes, sir. This is for the community action programs.

Mr. ROESSEL: Thank you. In fact, you are a little more generous than he is then.

The CHAIRMAN: Does that answer your question, Dr. Roessel?

Mr. Roessel: Yes.

Mr. Ford: Mr. Ingram, I would like for you to elaborate just a little bit on your statement of the programs just for the poor. We have received some testimony reacting against this very thing, that it tended to place a label on these people who are poor. For example, the school lunch programs, where the poor were presented with a different colored ticket, and they were immediately identified. So they went without lunch rather than participate in a program that was just for the poor, and these people—and they, I might add, were legitimate representatives of the poor—did not particularly appreciate being singled out in this manner by having special programs which immediately stamped on them the label of poor folks.

Mr. Ingram: Yes, I understand that, and I appreciate that. We use the term in our practice most of the time—instead of saying "poor folk," we say "low income." I was reacting to this trickle-down theory that you do something and hope it will trickle down. In other words, if you beef up a certain program, then you hope maybe some way it will get out into a home. What I am concerned with is raising the question: If this is directed, will it confront the problems of the rural poor? I don't want to put them on the spot and say, label all as poor or welfare, et cetera, but I am concerned that the Commission ask itself, is this directed so that it will confront the rural poor or are we helping the big commercial farmer and hoping some way that it will trickle down.

Mr. Ford: Yes, I understand your distinction. I misinterpreted your insistence on a program just for the poor.

Mr. Ingram: No, I am sorry.

Mr. Bonnen: You said early that these old institutions in rural life, everything in the USDA organizational program, say the extension service, are devoted to commercial agriculture. It wasn't clear to me whether you then concluded that they were not going to be capable of working with a low income clientele. This apparently was either because of their own selection in that they didn't want to or couldn't bring themselves to do this or perhaps it was that commercial agriculture wouldn't let them do it.

This morning, or a little earlier today, I was following the same line of thought with the representatives of the American Farm Bureau Federation, and I got them to say very directly that they would be very pleased to have the extension service, say, devote most of its resources not to commercial agriculture but to the low income problem. What is your reaction to this? Do you think this can be done even if commercial agriculture is represented by an organization such as the Farm Bureau?

Mr. Ingram: Let me say this about the Department of Agriculture. I think they have done a tremendous job. I am not an expert. I know many boys who work in the Department of Agriculture who are friends of mine. But as I understand their mandate, it has been to make our farming into a big commercial enterprise. I think they have done a tremendous job. You have the biggest farming system in the world so far as I know. I want to make that clear.

Now as to their being able to conduct, say, programs for the poor, this is a value judgment. I don't know, but I have the feeling that you have a problem of attitude. We discussed it with Secretary Freeman. I think a lot of your Department of Agriculture people have a typical middle-class attitude, and that is, well, if the poor had anything to contribute, they wouldn't be poor. Or, if they really wanted to work, they could find a job. I think if you can overcome that attitude, and I think it is fairly extensive—and as I say, we discussed this with Secretary Freeman himself here, sir—if you can overcome that attitude, then I don't see why not.

Mr. BONNEN: In other words, these values that are held are the primary obstacle and not the organizational commitment to certain clientele or something like that? The question I was asking in part was what are the obstacles that we are working against.

Mr. INGRAM: Attitude is one of the biggest. I have had a group—I have some tremendous boys in my area in the Department of Agriculture. But I remember I got together with them about 2 years ago. There were about 40. There were a lot of them who said we have tried to work with these people and there is nothing we can do for them. There is nothing to be done. We are wasting our time. Not every one of them said this, but this is the typical middle-class answer. This is your biggest problem, I think.

The CHAIRMAN: Do you have any other questions, gentlemen?

Thank you very much. You have been very fine witnesses. We appreciate your time and testimony. I believe our last witness for the day is Mr. Harry L. Graham. Is Mr. Graham still with us?

Mr. GRAHAM: Yes.

The CHAIRMAN: The next witness is Harry L. Graham of the National Grange.

STATEMENT OF HARRY L. GRAHAM

Mr. GRAHAM: I am Harry L. Graham of the National Grange. I won't carry this out too far.

The CHAIRMAN: Sir, we are going as late as 10 o'clock tonight, if necessary. So we are still with you.

Mr. GRAHAM: I am not going to keep you that late, I assure you. You gentlemen are at the end of a long and tedious series of hearings, and I am not going to repeat much of the testimony which I am sure you have heard.

I do want to say that those of us who are interested in rural America are appreciative of the time and energy that you have already given to this problem, and we are appreciative of the fact that the problem for you is just beginning when the hearings are over. We have great confidence in your knowledge and your integrity and in your devotion to finding the answers to the problem, which is the most complicated and hard-to-solve problem that there is in all of our social structure in America.

We in the National Grange have been in the business of rural America for 100 years lacking only a few months. We have seen hard times and we have seen good times. We came out of a terrible depression at the end of the Civil War.

I am one of these middle-class Americans who knows a little bit about poverty because I graduated from high school in 1930.

My father was a farmer in Illinois, and he had 150 acres paid for. He mortgaged the 150 acres to buy another acreage at the last part of the World War, and he lost the whole thing.

I worked one winter on one end of a crosscut saw for 8 cents an hour. I got 50 cents a day for 8 hours' work, which is 8 cents an hour approximately. I worked for 2 weeks and got $5 and was able to buy a pair of Freeman shoes with it. I went to college, too, and I had to work. It took me 14 years to get through that way, hit and miss, but I finally made it.

All who lived at that time, Mr. Chairman, know a little bit about poverty, because as the old saying goes, the difference between the landlord and the tenant was two bits and the tenant had the two bits. So this is nothing new for us.

I would also say that we know something about this whole field of community development and community activity. During the last 20 years we have been associated with the Sears Roebuck Foundation in a community development contest each year with a $10,000 prize at the end of the line, with a total of $100,000 prize money put up. We have spent $2 million of that money in rural community development. By the Sears figures, we have generated 10 times as much as they have put into it.

So for the last 20 years, we have had a bit of experience in this whole area, probably more experience than all of the rest in rural America put together. We are not claiming any fantastic success, but we have learned a few things. One of them is that the answers aren't easy, and they are not going to be solved by the building of another organization or an organization of organizations, and they are not going to be solved tomorrow because they didn't arise yesterday. They are going to be just about as difficult to solve in terms of time as they have been in terms of the time involved in the development of the problems, and all of us are aware of it.

We have all been trying to do something about this. I am a bit surprised to hear somebody from Tennessee say that nothing has been done for the rural poor. I went to school in that area. I saw electric lights in a one-room log house a long time before I saw electric lights on the farms of Illinois. REA came in after that. We have had surplus distribution systems. The food stamp is relatively new. The Farmers Home Administration certainly has had a major effect in lifting up a number of people—not enough, we are all aware of that—but out of the area of farm tenancy to the area of farm ownership for many.

I have finished selling a farm I had up in New York. It was not a very good farm or so I think. This is probably why I am down here. I am selling it to a young man whom I helped get an FHA farm loan to buy the first farm he ever had. My farm was the one next to it. He needed the first part of the investment. Two years ago, he had no investment. Today he is operating 1,500 acres for a farm and milking approximately 80 cows. So something is done part of the time. The record is there. It is a very clear record. I think it is unfair of the number of people who have indicated that the USDA is not concerned with the rural poor.

I think that the fact that they have had people who have had their problems with the extension acts, in that they have been carried away with the social status systems of the areas in which they have been serving so that the home economics departments have largely served the kind of women who could properly pour tea and so on, that doesn't mean that is all they served.

Certainly, some of our 4-H Clubs have served in this capacity. I think they have done the poorest job among the Negro people in the South. I do think their own self-criticism is adequate at this time. I am not inclined to criticize people who have done a pretty good job of criticizing themselves.

I think the Department has done this especially in the last few years. Let me just summarize this thing quickly for you, and then the testimony that has been given the girl at the door, I am sure, will become part of the record.

The CHAIRMAN: Yes.

Mr. GRAHAM: The root cause of poverty in rural areas has been a long-time, centuries old, dual economic system that has been more intensified in recent years than in the past and whereby we have protected and improved the income of industry and labor and capital by the facilities of government and the instrumentalities of government without adequately and, simultaneously, taking the same action for agriculture.

One of the reasons is obviously that labor knew what it wanted and went after it with the united business community. The business community goes at it the same way. Agriculture has been pulled to and fro part of the time by a lot of propaganda, and we have been the recipients of a lot of gratuitous advice of people who were a great deal more interested in our having programs to help them than in programs to help us.

So we have been pretty slow on the draw on this, and we are just now beginning to make some headway in catching up. We are catching up in some areas. There are only three times when farm prices are in a parity, and each time it is during a period of war. This is a pretty sad commentary on these long-term financial problems that have faced rural America and for a long time faced everyone alike.

There were some who came out of the morass of financial bankruptcy and some who didn't. Some who didn't were not able to do it. Some were unfortunate. Some who were able to do it were lucky. It seems to be coming about that the only way you can get a good farm is to inherit it or marry it. The cost of capitalization is almost that high in areas. The fact is, any kind of measurement of farm income you may want to take in dividing the poverty area from the nonpoverty area, from that which is not poverty area—the whole set of figures becomes meaningless if there was not a substantial increase in the price structure of American agricultural commodities. It is just as obvious that if prices came up 25 percent that there would be a heck of a lot more people who would be making $10,000 than are making $10,000 at the present time. That is one of the mechanisms. You can say all you want about community development programs. With improved prices you have less of the number of people in the poverty category. There is no argument around that fact.

There are some of these people who are too small to get the improvement, and there ought to be a way, and we think that is desirable—but for anybody to say that we can solve the problems of rural America and not pay any attention to the pricing structure is simply unrealistic because what we do is perpetuate and intensify the problems of rural America when we do that kind of thing. We cause a number of people who are not now in the poverty area to sink into the poverty area because of inadequate price structure. This is what is happening, I think, in a great part of the milk industry today.

We have made good progress in cereals. Wheat is in pretty good shape. Beef and pork are not in good shape. They are better off than they have been a good many times in my lifetime. I think this is temporary.

There are a lot of people who should be in the profitability areas by the definitions we are applying to poverty and working substantial-size farms but who are simply not getting out of the poverty classification because the cost of production has gone up faster than the income received from the production. It is a little like the old Dutch statement, the faster I run the behinder I get. We have some of that here. So we are bringing new people into the poverty classification while we are solving some of the problems existing.

I think you have had abundant testimony that in the quantity and quality of services rural America falls far short of the American national average. The three common problems brought out in the volumes I have set before you—comparably low income, community deficiencies, and the costs of solving problems where there is a sparse population. REA was devised in order to solve a problem of sparse population in the rural areas. Obviously, we are going to need some positive answers, frankly.

Although I see some economists sitting around me and one of my good friends is behind me in this, I think we have been analyzed and scrutinized and dissected for quite a long while. I think we know a great deal more about the position we are in than how to get out of it. If I have a complaint against my friends in Agriculture on economics, it is that they haven't spent as much time telling us answers as they have trends, and we have been pretty well aware of the trends anyway.

The time has come when we need to have positive answers that have some relationship to the society in which we live. We cannot continuously isolate rural America and agriculture as the kind of economy that just surrounds us. We have tried to do this part of the time. We have assumed that agriculture is some queer kind of duck that sits on the far side of the pond and that doesn't get wet with the same water that the ducks get wet with that swim on the other side of the pond. It just isn't so.

For instance, we are told there is a trend for fewer and fewer farmers. We are already aware of this. We do believe we must begin to find answers at this point in terms of farm income in some of the same terms that labor has found and capital has found.

There are a lot of people who believe that although it is perfectly correct for General Motors to shut down 5 days because they don't have the prerequisite number of sales for their automobiles, and for American Motors to do so—even Volkswagen shut down 5 days according to today's newspapers—that there is something immoral about limiting agricultural production to bring it within some relationship to demand.

The Wall Street Journal just recently said now is the time to go back to a free market. A free market would bankrupt not only the American farmers, especially those who produce food for export, but it would bankrupt every farmer in the world. One of the bulwarks we have used against communism engulfing half the world is the helping of other countries to develop their agriculture and industries, and we have advertised a prosperous agriculture. This is the kind of world we live in, and we are getting the same kind of baloney when we try to do something about rural areas.

The Area Redevelopment Administration. Frank Fernbach sat on it, and I sat on it, and a number of you appeared before it or have sat on those boards, and you know what you can get into when you try to get something going. You run into articles such as the one in the Reader's Digest, which were pure libel and where they make a major issue when an REA cooperative has loaned enough money to a ski resort to help them build the kind of equipment enabling them to run a modern and highly profitable establishment and, at the same time, making REA's more self-sustaining and creating job opportunities in areas where there is little opportunity for additional employment, in areas where there were no job opportunities. The power companies cried foul and so we got rules that you could hardly do that.

Last year when we tried to get the community development through, who came in and fought us right down the line? Basically, the members of the chambers of commerce. The representative of the Chamber of Commerce of Jackson, Miss., came in and opposed the community development program. What he objected to was a greater tax base and an improvement in the wage situation in Jackson. What we were interested in was exactly the opposite thing. We weren't able to pass it. This is our problem. The press hasn't done a very good job for us. The charities have been largely impotent. The churches themselves are simply too few to get these jobs done. So some of the basic legislation that we need we cannot get on the books. Planning in the rural area is immoral but planning is a basic part of our urban development. We have to have it. We have known about it for a long time.

I had a letter the other day from the man who was chairman of the committee and who won the last $10,000 prize for the National Grange in Spencer, N. Y. He is now the chairman. He wrote me a dozen questions. Where do we find the answers to these problems? What do I tell these people when they ask me these problems about how can we get the kind of planning we need? If we cannot get it, there is no way we can tell him we can get it under our present setup, nor can we get it until we get some kind of half-decent rural program.

The Department of Agriculture tried. They simply shifted some things over and made them available and they got trouble all the way down the line for something that Congress was unwilling to put down. I think we have some basic questions. I am not going to get into these on education. You know what the problem is on education. You have heard it over and over again. I would point out that according to the survey that was made in Los Angeles in connection with the Watts riot by the Department of Commerce—this is part of the testimony—that the functional illiteracy is a great deal higher than the illiteracy measured by grades completed in school. I was amazed to read of the number of people, the percentage of people, who were unemployed in that area and who were high school graduates. The statistics are in the testimony. Education at the high school level is not of and by itself an answer to the problem unless they are educated to live in the world into which they are going, and many of these people are educated to live in the world where they are now and there is no opportunity for them now. Our whole concept of education, not only in terms of the level we want them to attain but in terms of the kind of education we must have, has to have some changes in it according to the research we are doing at the present time.

I think we have to face some basic problems as a people. The problem of monopoly within agriculture. When the Grange came into the picture, it was to fight the monopoly outside of agriculture. Now the monopolies are within our structure. They are not outside any more.

The dislocation of our people. This is a problem of monopoly and is one of the greatest potential threats.

The need of a national land policy instead of a laissez faire approach to land allocation, and instead of a policy which seems to allow for vast holding of land while at the same time we are instructing our AID people and all of our embassies overseas to insist on land reform as the basis for the granting of aid. At the same time we are pursuing precisely the policies as to accumulation and concentration that we are telling them that it is exactly wrong in those overseas areas we are trying to help. We ought to let our right hand know what our left hand is doing once in a while.

In the final analysis, the greatest problem is how are we going to reverse the outflow of limited capital that goes out of agriculture in terms of prices, in terms of education, in terms of investment, people, and human resources that go out and never come back, an investment that moves from what little has been garnered in agricultural centers into the nonagricultural centers. We can do this partly by reinvestment in plant facilities in the areas where there are no job opportunities.

In the final analysis, I am a disciple of Professor Rossiter of Harvard, that it can be done only by the influx of capital that has only one source. That is the government. This is the one I think to which we have to direct ourselves. We are not going to come up to any real quick answers, and they are not going to be easy to pass if we do get them ready for legislation. We are in for a long hard pull, but as President Kennedy said, "Let us begin with it." Let us get started doing this job.

The CHAIRMAN: Mr. Graham, even though this has been a full day and you are the last gentleman to testify, it is delightful to have such constructive and refreshing testimony here.

Before I open up for questions, I am going to trespass on my friends here at the table and ask what part of Illinois are you from?

Mr. GRAHAM: Montgomery County down around Hillsboro, Fillmore. Anybody who doesn't think that was a poverty area better think again.

The CHAIRMAN: Do you have any questions?

Mr. BONNEN: I am puzzled about your dual economy notion. I recognize now that in this public decision-making process that rural life, and agriculture in particular, probably doesn't wield the kind of leverage which would allow it to offset business and labor, which you have described as constituting the effectively organized and wielding considerable organized political power. You seem to take this back in time. I have always been under the impression that there was a day back there when rural legislators and agricultural interests pretty well dominated our decision-making process and not too long ago at that. In the thirties.

Mr. GRAHAM: I am sure this is true as far as dominating it. I don't think the fact that they dominated it meant that they answered very much. Farm programs were unthought of. So were labor unions in the terms we have today. So we spent most of our time in trying to control big business. This was the major thrust for many years of history.

Mr. BONNEN: This was the Populist reaction?

Mr. GRAHAM: Yes, and I think of the general population of America, which was primarily rural. But we began by protecting industry. The first act of the very first Congress, where you had the Jefferson-Hamilton debate, and Hamilton won, and industry followed Hamilton. But agriculture, although Hamilton won that debate, emotionally followed Jefferson. When we came into the 1930's, especially in the 1930's, we began to protect labor, minimum wage—first of all, minimum hours and wages, and these increased, and of course I have no objection. I think this was our salvation. Then we protected their surplus. Then from their surplus, unemployment insurance. We protected our industry by various tariffs, 180 percent tariff on chemical goods at the present time. This is part of the picture.

All of our legislation improved income for labor and protected it once it was improved. There has been no regression. But the legislation we passed for agriculture improved it only slightly and left it open to much regression and recession, and the consequence has been that there has been a pretty steady progress in labor income and in profits of industry that has gone right along, but the curve on agricultural income just doesn't follow the rest of the curve at all. Except in time of war, they have stayed substantially below the rest of these curves all the time until basically you have two levels of the economy. One is urban and industrial. The other is rural.

Mr. BONNEN: What you are saying is that rural politicians had the power and they didn't exercise it in their own interest?

Mr. GRAHAM: Right.

Mr. BONNEN: The other thing I would like to ask—you say that we solve the poverty problems on farms by raising prices?

Mr. GRAHAM: Not all of it.

Mr. BONNEN: Some of it anyway. There is an area here where it is very difficult. They aren't welfare problems. These people aren't indigent units but they are not effective.

Mr. GRAHAM: This is the so-called underemployed group which means they are either now existing by living on the farm, putting in part-time farming, part-time industrial work. I have a neighbor who used to be there. He was a successful farmer as long as his wife could make $9,000 a year teaching school. This is the kind of thing I am talking about. These people's problems cannot be solved by welfare problems, by farm programs. Their problems can only be solved by alternate supplemental farming available within a reasonable area.

Mr. BONNEN: Are you suggesting that we raise prices to all farmers or just to this group?

Mr. GRAHAM: To all farmers.

Mr. BONNEN: To all farmers. What do you mean about this production process that responds to price? You are going to have this creation of excess capacity. You know this problem of pricing ourselves into a hole. How would you take care of this problem? How would you limit production? As a part of that, would you join Jim Patton on licensing, a feature of controlling output here as in industry?

Mr. GRAHAM: We have had this resolution to license farmers before the National Grange for the last 3 years. We haven't turned it down really, but we haven't been looking at it either. We are not ready to commit ourselves on it. I think this comes into this area of the large corporate structure coming in and dislocating whole areas. This has application here. There are other ways of limiting production among the people you already have. I think the wheat program is an especially good example, where we made it profitable to produce the wheat that is needed and unprofitable for the wheat that isn't needed. We made checks. We made the two-price system. This made some sense. Who would have believed 3 years ago when we were talking about this for the first time that the wheat situation would exist that we see today? Who would have thought it would have been possible? I think it is possible to do it in areas other than this one. It is going to take a mountain of discipline that many of our farmers are just not willing to submit themselves to at this point. The wheat farmers weren't either. I would bet that the wheat referendum that we have today—it would pass by 85 percent because of the experience in times gone by. But they are scared to death of government controls.

The CHAIRMAN: Do we have any other questions?

Mr. FORD: I would just like to ask one question, and I don't want to prolong the discussion unnecessarily. You are the first witness who has brought up this question of the development of monopolies in agriculture. Would you care to tell us what you are referring to in this?

Mr. GRAHAM: Yes. I think the whole field of vertical integration is a threat to the owner-operator or family type of farming, even of reasonable-sized farms. The people are put at the mercy of the judgment of one person. We have in the testimony that was before the Senate committee last year on 109 a gentleman who came up from Arkansas, who had built a broiler business, built the facilities for 50,000 broilers, which is not immaterial. You don't call this a marginal operation, 50,000 at one time. Because he had helped or tried to help to organize the bargaining association, he had been blacklisted for 3 years, and he sat there with tears in his eyes and told how he and his family had gone out on the road to collect the returnable bottles to sell to the stores to buy the groceries and he had a 50,000 broiler operation sitting there that he couldn't use. This is a way to put people in poverty pretty fast, you see. I remember up in upstate New York in this integration process where one of the cooperatives got into it and they decided all at once that they wouldn't stay in it. In the meantime a man who had a 10,000 broiler operation had been encouraged to go to 50,000, and then the cooperative pulled out and this bankrupted 79 farmers in 1 week. Whole life savings of rather elderly people automatically were wiped out.

This is the kind of thing we have been careful about. I think the whole concept of packer feeding which, if a packer has enough, and it doesn't take very many animals to be put into the market at a particular time when the market starts to firm up, and he can buy them back at his prices. This is one of the ways of depressing agriculture even when you have a reasonably good system. It is the denial of the same competitive market that these people scream about wanting to protect. That is, when we talk about government controls.

This destroys competitive markets, they say. But they are the ones who destroy it. I think the situation in southern California where the Southern Pacific Railroad still owns 220,000 acres that they got from the Federal Government, the old patent grants—this is the kind of situation where when you look out across that area—and I flew down across that area as a guest—on the whole west side of that valley the only place you see a farm house is at a central location and you will see 25 little houses for the workers and then miles where you see no buildings at all. Then if you go on the east side of the valley, you have the family farm type structures and a pretty profitable one, and you see cities and smaller towns and orchards and whatever is going on.

I think just yesterday—I believe it was CFK, whatever that meant, in Kansas City, a business that was stopping their operation and trying to buy 80,000 acres of grain land to operate as part of a big syndicate. Now, this is the situation, this is the destruction of the kind of agriculture that has been the security of America.

Why it is that we want to destroy that which has made us great and strong is something that is difficult for me to understand. I remember the words from the Deserted Village that you may recall: "But a bold peasantry, their country's pride, when once destroyed, can never be supplied."

I think we are in danger of being destroyed. I prefer to answer many of these problems in the country. If you can think of when the cotton was mechanized, we missed a program to immediately move into Mississippi to absorb the laborers that were dispossessed not only of jobs but of the only place they had lived all their lives. We absorbed a lot of those people, who shouldn't have been lost, in Detroit or Harlem and some of these children in this fair city of ours. But we sent them out completely unprepared to live in a completely complicated life that they find in a city such as Washington. The high school education that they receive is relatively meaningless in situations like this.

I am reminded of another story, and with this I will quit. This is about the fellow who told how they decided in this particular asylum for the insane to let the man go up for the board of review. They put him in the kitchen to mop up the floor and they turned a hose on. If he just kept mopping and left the hose on, they figured he was still insane. Otherwise, he was all right. We are doing a little of this. We are simply transferring them into Watts.

I remember some of the testimony in the poverty hearing. I remember some of them saying it wasn't anybody's business, and it wasn't the government's business. I remember Representative Bell saying, "Well, when 10,000 people move into my district every year and they can't sign their name to an application for a job, that becomes some of my business."

We went down here to the Museum of Science and Technology a couple of months ago and took some friends there, and there were two big Negro boys walking along in front of us, young men. They came along beside these exhibits of primitive American structures in this great museum, and it was stated on a card what the exhibit was. One fellow turned to the other. He said, "Read me"—it kind of shook me—"read me what it say there." This boy was old enough to read. We don't blame him, but we blame the society that is concerned.

Gentlemen, you have been very patient. Thank you.

The CHAIRMAN: All right. We will adjourn until tomorrow.

February 16, 1967

MORNING SESSION

The **Chairman**: Good morning, ladies and gentlemen. My name is Miles Stanley. I will be presiding at today's session.

I am happy to welcome an old friend of mine from the early days of the Area Redevelopment Administration, a man who helped get that agency off the ground and has contributed much in terms of total economic development of depressed areas in this country, and I know of no man who is better qualified to speak on our programs than Mr. Sar A. Levitan, now with Upjohn Institute.

STATEMENT OF SAR A. LEVITAN

Mr. **Levitan**: Thank you.

Mr. Chairman, I have a prepared statement which I gave to Dr. Bishop before the session opened. In the interest of conserving time, it might be best to summarize the prepared statement which comments briefly on existing federally supported programs in aid of the rural poor and suggests feasible priority programs for the immediate future.

It is essential to bear in mind that too frequently programs that are designed with the most noble ends in mind fail to meet intended goals. The diverse agricultural programs, which are most relevant for the purposes of this Commission, are an excellent case in point. Whatever justifications there may be for these multibillion dollar agricultural programs, they certainly are not effective in fighting poverty. Frequently, I would suggest, the opposite is the case.

It is also regrettable that the more recent antipoverty programs have also largely failed to reach the rural poor. Unlike the agricultural programs, the intent of these programs is to aid the poor and the OEO is trying its best to aid the rural poor, but there are certain inherent difficulties that present obstacles to an effective implementation of rural antipoverty programs.

Most rural communities are not equipped to receive their fair share of the total antipoverty dollar. The problem is not only lack of rural sophistication in the art of grantsmanship, but it is also inherent in the lack of facilities and unavailability of "delegate agencies" which would undertake the administration of antipoverty programs.

It is little wonder, therefore, that the antipoverty programs have created disillusionment, The advocates of the "War on Poverty" have anticipated quicker results and, while the achievements of the new programs, at least as far as rural areas are concerned, have been minimal, the anticipations generated by OEO publicity and promises have been much more successful. The programs inaugurated under the Economic Opportunity Act and related measures stress rehabilitation of the poor and even under the most favorable circumstances the measurable impact is going to be slow. The disillusionment in existing programs has created a clamor for income support schemes which will help immediately to alleviate poverty, if not raise the poor out of poverty. Within the time allotted, I cannot develop the inherent difficulties that underlie the pertinent widely publicized proposals of negative income tax, family allowances, or related proposals, but I would urge that we take a hard critical look at the likely consequences of these programs before we support these schemes as a cure for fighting poverty.

During the past 20 years, to take just the post-World War II period, there has been a continuing decline in agricultural employment. The average agricultural labor force in 1966 was 4.2 million, a decline of more than 50 percent in two decades. While authorities might disagree as to what the needed size of the farm labor force should be, and the Advisory Commission has outstanding authorities on the subject, experts generally agree that the current farm labor force is still too large to support the remaining agricultural labor force. It is estimated that an efficient operation of our agricultural industries could do with about 1 million people. Let's double the figure and say that we need 2 million people in agriculture, and that is certainly a generous estimate.

This means that we still have, despite the rapid decline in agricultural labor force, a large surplus of labor and that we will have to rely upon migration in order to provide those who remain on the farm the opportunity for a decent livelihood.

When times are good, migration from rural areas accelerates. For instance, last year when jobs were plentiful in many urban areas, farm labor declined by about 400,000.

In addition, there is also a vast surplus of labor supply in rural areas, not occupied in agriculture. In short, the major economic problem in rural areas is the lack of job opportunities.

An attempt to provide a decent income support program, or a guaranteed income, would discourage migration from rural areas, and in the absence of employment opportunities in rural America, the result is bound to be that large groups—and I hate to use the word—would be living on the dole.

It would be unrealistic, indeed irrational, to expect an unskilled farm laborer or underemployed rural worker to seek his economic fortune elsewhere if he were guaranteed an income. There are other inherent pitfalls in the promises of a guaranteed income, but there is not enough time to elaborate on these problems. Assuming even that the guaranteed income plans will work, few expect that these proposals will be adopted in the near future. For the shorter run we need to concentrate on more realistic plans.

We are therefore faced with the inescapable conclusion that we have to rely in the immediate years ahead upon migration in order to reduce rural population to a manageable proportion and that those who remain on the farm will be able to expect a decent living from agriculture.

To reduce pressures of migration upon metropolitan areas and to ease rural mobility, economic planners have favored decentralization of economic growth and expansion, bringing jobs closer to the rural unemployed and underemployed. This is basically the economic rationale of the Economic Development Act and its predecessor the Area Redevelopment Act, the Appalachian Commission and the other commissions which are now being developed. Conceptually, as Mr. Stanley has suggested, the plan is sound and it can be justified on social and economic grounds.

But I doubt that these programs can ever work on a broad basis. In the long run, as economists are prone to say, this may be an adequate solution, but I am talking about the immediate problems of the rural poor. Their problems are urgent and it is unrealistic to hope that the present programs will help support sufficient growth areas and bring a sufficient number of jobs within commuting distance of most of the rural poor.

I submit that it is more realistic to rely upon migration of the rural poor to places where jobs are available, provided, of course, that the Government is going to carry out its commitment, namely, that there would be ample jobs for the poor outside of rural America.

In other words, the first and prime Federal responsibility to the rural poor, as well as to the poor elsewhere except those who are too ill, too old, or unable to work, is to assure a sustained "fuller employment" economy, to use the unfortunate phrase coined recently by the Council of Economic Advisers. And for those who cannot secure a job in the free market, the government should stand ready to provide jobs for them or to subsidize their employment. There are ample jobs to be done in every community, and where there is surplus labor, the Government should assume the responsibilty of providing these people with jobs, but I am afraid that for the time being this would be again wishful thinking. For the short run, the President has already spelled out his budget and it is hardly likely that the 90th Congress is going to provide more welfare legislation or greater Government expenditures for the poor than the President has asked.

Our anticipations for the immediate future must therefore be much more modest. Given the budgetary constraints, it would appear that the most effective help that the Government can provide is to channel migration out of rural areas.

First, the Government can help to rationalize migration, to help those who are willing to move from impoverished rural areas to places where jobs are available. It is a well-known fact that present migration is not based on sound information and the migrants do not know about the best alternatives open to them. The vast network of Government employment offices and agricultural extension services could be used, if they would cooperate in the dissemination of information advising potential migrants about labor shortage areas where they are most likely to secure jobs, suitable for their limited skills.

Once migration takes place, I think the Government can do a great deal in helping the migrants in the areas to which they move. At present, many migrants, possibly the majority, end up in slums in the larger cities. The Government could provide some kind of temporary housing until the migrants acclimate to their new surroundings. As an integral part of Government-supported hostelries, social services should be provided for the migrants to help them not only with the obvious need of getting jobs and placing children in schools and getting generally acquainted with the community, but also help the families with problems that are peculiar to urban living with which many of the rural poor are not acquainted.

This would not be too costly a program. And I think that it could be accomplished under current budgetary constraints and that it would be a most effective program. There is nothing new about this suggestion. The Government has provided these services for Hungarian refugees more than a decade ago and more recently for Cuban migrants.

I would also suggest that the Government could do much more in rural areas, as well as in the rest of the country, by providing more energetic assistance in family planning, which would reduce the number of unwanted children in poor families, the future candidates of poverty. At present, while the Government is spending hundreds of millions on various antipoverty programs of doubtful merit, only $4 million is being spent this year by the Office of Economic Opportunity for family planning.

I am afraid to finish, because I know I have said things that might not be popular with some members of this distinguished Commission. The wisest thing, therefore, would be to filibuster until the time alloted to me has expired. But instead of taking this wiser course, I will stop with these very modest suggestions of things that can be accomplished during the balance of fiscal 1967 and during the coming year.

Thank you.

The CHAIRMAN: Thank you very much. I was interested in the merits at the outset, because this has been an area that several witnesses during the course of the Commission's hearings have touched on, the lack of leadership in rural areas.

I believe that it was strongly implied or stated in your opening remarks that this was one of the problems. What Government vehicles are available currently, and what should be made available, maybe to help this particular situation?

Mr. LEVITAN: I believe that the community action approach is appropriate. It is based on a sound concept. If the poor are to be helped, they should be given an opportunity to participate in developing programs on their behalf. It is a basic democratic principle.

But I doubt whether the Federal Government is in a position to support programs which will depend upon the development of indigenous leadership. It is a political problem. In some areas this may mean a greater measure of civil rights and exercise of leadership by Negroes which would be opposed by potent political forces. But racial problems is only one of many obstacles to Federal support of community action programs. It is not at all clear, and the experience during the past 2 years would provide ample room for questioning whether the Federal Government is in a position to finance organizations or programs which would oppose the established order in States or localities.

In a few communities local action agencies have gotten away with it. But in most cases they have not been successful and only too frequently Federal funds dry up when local community agencies buck the established order.

It would therefore seem to me, Mr. Stanley, that the development and support of local leadership must come from private organizations such as yours and, in rural areas, hopefully, from farm organizations. But I would not rely too much upon Government programs supporting the development of leadership whose goal is to change the institutions which will be opposed by vested groups in their communities.

The **CHAIRMAN**: I want to pursue this one moment more. Are you aware under Title I of the Higher Education Act there are funds available to, primarily, land-grant institutions to aid in the development of community leadership?

It seems to me that this could well be used, these funds, more of the Title I funds.

Mr. **LEVITAN**: I agree with you, Mr. Stanley, in principle, but, again, I doubt whether it would be realistic to hope that the development of necessary community leadership to develop and administer programs to fight poverty would come from land-grant colleges, which are basically conservative organizations. And I doubt very much that they would all of a sudden be interested in running programs in aid of the poor or developing indigenous leadership.

It isn't that I think Government money is tainted; I am more inclined to think that 'tain't enough, but I just don't think that land grant colleges and the extension service would become interested in or actively work in favor of programs of organizing the poor.

I suspect that it isn't a question of money, the funds are there. But the chances are that it would be used to organize another seminar or some kind of conference, but not for the purposes that you seem to favor.

The **CHAIRMAN**: Do any Commission members on my right wish to inquire?

Mr. **RUDDER**: Yes. I would like to pursue this land grant policy a little further.

I happen to be president of one, and we are working with pockets of poverty in various areas, and it strikes me that your philosophy here that it will be used for another seminar or something of this sort could be very easily controlled in the project itself, when you apply for these monies, as to what might be done.

I have a good philosophy of believing that the total resources of the university should be made available to the people, and I do not know that I agree completely with what you said.

I know there is a reluctance on their part to get out and get their hands dirty in poverty, shall we say, but there is no reason that they can't be involved in it, and through your extension services in particular there is no reason why the total facilities of the university couldn't be made available.

Mr. **LEVITAN**: I am sure that you know more about the subject than I do, and I would defer to your expert knowledge. However, I wonder how many extension services offer courses in basic literacy or in helping to train the rural poor to get jobs.

Mr. **RUDDER**: I am sure it's very limited at the moment, but I still say there is no reason it couldn't be.

Mr. **Levitan**: There is no reason at all why they couldn't do it, but I simply don't expect that they would. I would like to make it clear that I am talking about my best friends and next month I, myself, am going to be a professor. I just don't expect that college professors will change their well-established past practices and I expect that they will continue to be more interested in their specialities than in expending their energies on aiding the poor.

Mr. **Stanley**: Mr. King?

Mr. **King**: You touched on a very practical subject there. You said, I think, and I will put it more in layman terms, that there is going to be a migration into the cities and we are not going to change it, so let's guide it in the direction of where there are jobs.

Perhaps in the smaller cities and larger towns is where it should go, instead of promiscuously going into the bigger cities and piling up, as we have had so much testimony about.

Is that what you intended to say?

Mr. **Levitan**: Yes, sir. The history of United States migration, whether people crossed the ocean or whether they moved from one area to the other within the United States, has been in waves, usually following family or neighbors who have migrated to certain areas. However, there are many smaller communities where employers go begging for workers, particularly in the present economy with many tight labor markets. Under the circumstances, the Government can be most effective in channeling migration of potential workers to tight labor market areas and many of these can be smaller communities where the employers would be willing to train the workers.

Mr. **King**: In other words, get it in the testimony as a recommendation that guided migration is in order rather than promiscuous migration.

Mr. **Levitan**: I might add, Mr. King, that what I am suggesting is not really new. As I already mentioned, we have done much in the case of the Hungarian refugees, about 50,000 of them, I think, who came in about a decade ago, and we have done the same more recently for the Cuban migrants.

During the past few years, the Government has also subsidized some domestic migration, but this has been done on an experimental basis. I am suggesting that we apply the lessons we learned in connection with channeling the Hungarian, Cuban, and the experimental domestic migration on a broader scale to help the rural unemployed or underemployed poor.

Migration from rural America to towns and larger urban areas will continue. And most of the people who migrate will not need any help, but I believe that a great many of the rural migrants with less than a high school education face very real social and economic problems in acclimating to their new environment and that the new migrants create very serious problems at great social and economic cost to the urban areas. However, if the migration had been channeled and the necessary social services were provided for the migrants, I think that a great many of the problems could have been alleviated.

The **Chairman**: Dr. Ford?

Mr. Ford: Mr. Levitan, I am familiar with your evaluation of the ARA program, which I think is very sound, a very sound study. You have talked here about some of the short-range solutions that might be offered. I would like to look at the long-range ones for a little bit.

What do you see as present deficiencies in the programs that the Government is developing, and what proposals might you have for putting these programs on a sounder basis or remedying deficiencies which you see in the current programs?

Mr. Levitan: That's quite an order, Dr. Ford.

Mr. Ford: I realize that.

Mr. Levitan: Let me emphasize, again, Dr. Ford, that I am talking about short-run remedies. Taking a longer view, I would first place greater emphasis upon education. There is nothing novel about it, but a sound program does not have to be novel in order to be right. I think that once we get rid of Vietnam, and we all hope that this will be soon, the Federal Government would invest a portion of the current vast burdens that Vietnam creates in developing a better education for rural poor as well as in other areas.

Talking about the longer run, there is no reason why the Federal Government cannot invest several billion dollars annually to build necessary school facilities and to increase salaries of teachers in slum areas as well as in rural areas. I believe that the best way the Federal Government can do that is by making grants-in-aid to States, insisting that the funds be allocated by the states to the neediest areas and that national goals of fighting poverty and providing a better education in impoverished areas be accomplished. At present, as you know, under Title I of the Elementary and Secondary Education Act, the Federal Government spends three times as much per poor child in Westchester, N. Y., or nearby Montgomery County than in the neediest rural areas.

Secondly, as I believe I already suggested, the Government could assume greater responsibility than it does now "as an employer of last resort." Under some of the antipoverty programs the Government is already doing this, but it can do more. And the present unemployed and underemployed workers can provide much needed improvements in social services. Every community has many jobs to be done. It does not have to be leaf-raking type of work, as the experience during the depression has shown. I recall a cartoon from those days. Two dowagers looking at a magnificent bridge, as one lady said to the other, "You mean, Mabel, they built it all leaning on their shovels?" A great deal of useful public work was done under WPA, PWA, and other depression programs and it can be done today, again, when times are generally prosperous.

Thirdly, as Mr. Stanley has suggested before, I would expend greater resources in bringing jobs to communities instead of forcing unemployed rural people to migrate to urban areas. I think that we can do a great deal more than we do now in Appalachia and other depressed areas, provided, however, that we have, and this is a sine qua non, sustained high employment.

Fourthly, I would improve the present income support programs, raising minimum social security benefits and public assistance payments. In too many States the payments are too low and the way the public assistance program is now administered, it may help alleviate poverty but certainly not to reduce the number of poor. It does not provide any incentives to recipients to escape poverty. Under present practice, any earnings of people on public assistance is reduced from payments made to them, and this amounts to a 100 percent "tax" on their earnings. And if a recipient of public assistance is lucky enough to get a job, she (as you know, most of the public assistance recipients are women) loses any entitlement to welfare payments. But if she loses her job, it may normally take months until she can be reinstated on public assistance. Under the system it is perfectly rational for recipients not to attempt to secure any work.

President Johnson has recently suggested that a family on public assistance be allowed to make as much as $150 a month before the earnings are deducted from their relief payments. He also proposed that States provide the total basic needs of public assistance recipients. Unfortunately, there is little likelihood that Congress will approve the President's recommendations. I think that the level of public assistance benefits in most States should be improved as suggested by President Johnson and the administration should be overhauled somewhat along the lines also suggested by the President.

Finally, looking at the more distant future, and my crystal ball gets somewhat clouded, I would hope that someday we will achieve a guaranteed income for all. But this, I am afraid, will have to take a little longer.

The CHAIRMAN: Thank you very much. We will take two quick questions from this side.

Mr. BONNEN: Sir, the weight of the testimony so far suggests that we not control migration, but that we slow it down. What is your opinion on this, on social policy reasons ——

Mr. LEVITAN (interrupting): Let's not say controlled. Let's say channeled migration.

Mr. BONNEN: All right.

Mr. LEVITAN: Given the existing programs, I do not believe that we can slow down migration. If we have a "fuller employment" economy, which is the latest phrase, and if jobs are available in some areas, the rural poor will migrate. If the choice is between living on subsistence and the opportunity for a job, the unemployed and underemployed rural poor will take the latter.

I am told that there is some virtue in living on a farm or in the clean pure rural air, but I fail to see the superiority of this kind of life if there is no minimum income associated with it.

Mr. BONNEN: The proposals that were suggested in most cases involved shifting your policies so that you created more job opportunities in rural areas consciously relative to urban than what is happening naturally, in other words.

Mr. LEVITAN: As I believe I suggested earlier and I know that I said it in my prepared statement, this concept is sound, but it is difficult to implement it, as the history of ARA, EDA, and the Appalachian Act indicate. In the early days of ARA, when average national unemployment exceeded 6 percent, it was difficult to justify the creation of jobs in depressed areas when workers, many of them skilled, were going begging for jobs in other areas.

Skipping to the more recent experience, since the acceleration of the war in Vietnam and the reduction of unemployment below the 4-percent level, the demand for labor in many areas, much of it created by military needs, is immediate and pressing. Many employers have to fill orders, some of which depend upon military needs in Vietnam. Under the circumstances, an employer is not ready to start a new plant which will take a year or more before he can fill his orders.

Of course, the Government can help channel jobs to rural labor surplus areas by compulsion. For example, under the English law, an employer has to obtain a permit to build a plant, and frequently the Government refuses the permit if he wants to build the new facility in a congested area. So far we have rejected this approach.

I believe, however, that an effective Government program of channeling industry to depressed areas can work only during a period of sustained "fuller employment." Under those circumstances, employers needing new facilities and additional labor will themselves seek out labor surplus areas, and Government subsidies would help accelerate the process. This basically has been the experience of Germany during the past decade. But in our present climate, when a great deal of the labor shortage is based on a war economy and crisis, I don't think that it is realistic to expect that the Government would be able to channel industry to depressed rural areas or that industry would expand sufficiently when the demand is temporary and may disappear on short order.

Mr. BONNEN: Thank you.

The CHAIRMAN: Mr. Gallegos?

Mr. GALLEGOS: Your comments dealing with channeled migration and reference to the migrants, that is, the Hungarians, what has been done, some of the successes there, they don't in some ways have the same complexities of the rural poor.

Hungarians can learn to speak English, and they are not faced with the obstacles of color and other things which make it more difficult to get into the labor market.

My other question is, in the light of experience we have had with youth working on the programs in urban areas, are there any chances for developing comparable programs in rural areas, not only to provide skills, but in terms of providing leadership?

Mr. LEVITAN: Taking the latter question first, you are raising, sir, a very difficult problem. In too many cases in rural areas there just aren't the facilities for training youth. But then a subsidiary problem arises. If training facilities are available, for what are they to be trained, if jobs are not available? The most promising possibility is to train for migration.

As far as the first part of your comment is concerned, I think I am a little more optimistic than your observation seems to suggest. I believe that the best cure for color discrimination, at least as far as employment is concerned, is a high employment economy. Given a sustained high level of demand, say 3.5 percent unemployment, I believe that employers will be only too happy to forego discrimination if labor shortages exist. Discrimination is a luxury which they can practice in a looser labor market and as long as they have a choice between a white and a Negro or a Mexican, color preference might predominate.

As long as the employer needs only part of the available workers, then he finds reasons why he shouldn't hire a Negro or a Mexican or a Hungarian, or whichever is his pet discrimination. But a great deal of such discrimination tends to evaporate in a tight labor market.

The CHAIRMAN: Thank you very much, Mr. Levitan. We appreciate very much your being here and presenting your statement. Did you leave a copy of your statement?

Mr. LEVITAN: Yes, sir.

The CHAIRMAN: We are going to miss you at Upjohn. Where are you going?

Mr. LEVITAN: The George Washington University.

The CHAIRMAN: Good morning, Dr. Chinitz, it's good to see you again.

Mr. Chinitz is a former Deputy Assistant to the Secretary of Commerce for Economic Development, and I have had the opportunity of working with him over a number of years. I am glad to welcome you. You may proceed.

STATEMENT OF BEN CHINITZ

Mr. CHINITZ: Thank you very much.

In the interests of conserving time, I would like to read my statement, because I can assure you that a summary would take longer. (Laughter.)

Rural poverty and urban poverty differ in at least one crucial aspect. In the case of urban poverty, the association of individual poverty and area poverty is very weak.

In the case of rural poverty, the association of individual poverty and area poverty is very strong. True, the neighborhoods in which poor urbanites live are often also very poor, but the level of income in the larger community is typically high, and often very high.

As evidence of this, I cite the fact that very few cities are currently eligible for assistance under the Public Works and Economic Development Act. When they do qualify, it is typically on grounds of high unemployment rather than on low income.

The bulk of the counties which qualify on the basis of low income are rural. This suggests that rural poverty has a strong regional or locational dimension.

The attack on urban poverty may require that we take measures through public action to strengthen the economic base of the central cities of our larger metropolitan areas, and more specifically the ghetto areas.

My former associate and boss in the Economic Development Administration, Eugene Foley, was convinced that this had to be done, and urged on Congress the passage of an amendment which would have qualified ghetto urban areas for assistance under the Economic Development Act.

Although I am sympathetic to this view, I am more convinced that in the attack on rural poverty the role of regional programs is paramount. Here we must deal with the economy, and not just the people.

Many, if not most, of my colleagues in the economics profession do not agree with this position. They are convinced that the most efficient solution to rural poverty is migration to urban areas, a process which has been underway without interruption for at least 200 years, and indeed no one can doubt that urbanization has been a powerful force in raising living standards in our country.

But the question we now face is whether migration is a practical and preferred solution to the residual poverty which persists in rural areas. We have not put obstacles in the path of migration, and yet it has failed to do the whole job.

We could promote migration through Government programs, and we are doing a bit of this, but it isn't at all obvious that this is a more effective way to deal with the problem.

We have a number of reservations. We are increasingly skeptical of the presumed identity between the private and social costs and benefits of migration from rural to urban areas. Our large cities are in trouble, and the cost imposed by the in-migration of rural population is no small part of their problem, and we wonder whether the cost of adapting the rural grant to the urban setting in our large cities is in fact less than the cost of increasing the productivity in the economy where he originates.

So far in our national policy we have failed to perceive in the area development program, whether under ARA or EDA, an alternative to the more rapid growth of our large urban areas. This perspective has been present in area development programs in Western Europe and the United Kingdom.

The Congress bent over backwards to avoid this conception. Thus, both ARA and EDA do not and did not have the authority to extend financial assistance if the effect would be to relocate industry from one area to another.

What is important is that neither program was funded at a level which would make it possible to make a real impact in more than a few areas.

I do not mean to suggest that it is possible to solve the problem of rural poverty through the stimulation of the local economy alone. Even if the genesis of rural poverty is locational, the effect of poverty is still the same in terms of the underdevelopment of human resources. Area programs must be complemented by people programs.

Furthermore, the stimulation of economic development must be accompanied by urbanization on at least a modest scale. A strictly rural pattern in areas where natural resources provide few employment opportunities is inconsistent with the requirements of a modern economy in which service industries dominate.

In this regard, I find the concept of development districts in both the Public Works and Economic Development Act and the Appalachian Regional Development Act a very promising innovation. The district is an area which encompasses within its borders both depressed and prosperous communities in both urban and rural patterns of settlement.

The intent of legislation is to encourage the kind of planning which takes into account the interdependence of neighboring jurisdictions and attempts to exploit opportunities for investment in one area which will have salutary effects on the whole district.

The underlying logic of this strategy is to strike a balance between complete reliance on natural forces to bring about the necessary adjustments and the other extreme, which is to attempt to stimulate local development in every location where it occurs.

The district idea reflects the recognition that scale is a powerful force in modern economic development. Both consumers and producers have very much to gain from locating themselves in close proximity to one another.

Services at a low cost are possible only when there is a substantial market within a reasonable radius. This is as much true for consumer services such as health and education as it is for producer services such as transportation and warehousing.

We can't be sure how technological progress has, on balance, affected the relationship between scale and cost, but we can be sure that the radius of the market for any given specialized activity has been extended by cheap, fast, flexible automobile and air transportation.

The implication of this is quite clear. Greater concentration of points of production but greater dispersion of consumers in reference to such points. Thus our great metropolitan complexes are growing on the one hand because of advantages of scale, but on the other hand their average density is diminishing as consumers find it possible to enjoy the benefits of proximity at greater distances.

The district is an attempt to maximize the exploitation of scale economies in an area, thereby enhancing opportunities for consumers to achieve a higher standard of living and productivity. Only in this way can the areas compete with the pull of large, established urban centers.

I would recommend greater support for the district development programs as a powerful tool on rural poverty.

One critical problem is the lack of competent personnel—the staff, the district planning organizations. Congress attempted to meet this need by authorizing matching planning grants which would help the local organization to recruit staff. The grants are modest. Furthermore, there is a national shortage of trained people when you relate the supply to the overall demand.

We should give serious thought to the expansion of educational opportunities in this field in order to increase the total supply of trained personnel. Otherwise, the various district organizations will dissipate their resources in bidding against each other for the same people.

Then, too, the funds available for specific projects are altogether too meager. Many existing programs provide funds which can be used profitably with good planning to enhance the level of economic opportunity in the district, but even with the optimal planning coordination, a much greater financial effort will be required to create the magnitude of scale, which is essential to success.

Vietnam aside, we have been reluctant to make a large commitment to depressed area programs because of a haunting suspicion that we are working against natural forces, and that our efforts could really be to no avail. I think this risk is greater, the smaller the effort.

Thank you.

The CHAIRMAN: Thank you very much, Mr. Chinitz. Once again, I think there are some patterns emerging, thoughts emerging in our testimony that fit into a pattern.

This last problem we are keenly aware of coming about in economic development and human resources development. Educational opportunities in this particular area are important. Can you be a little more specific and definitive on that?

Mr. CHINITZ: Yes. I think what we are going to need now if we are going to pursue these kinds of programs is a concerted effort to increase the supply of such people. Now, this has no relationship to where this education goes on. I'm speaking of an effort to add to the stock of such people.

For example, in a related field, that is, the field of international economic development, we have such instrumentalities as an Economic Institute of the World Bank. This is a permanent, on-going, educational process, which annually puts I don't know how many people through a program of education which is intended to make them better administrators of economic development.

Now, under the terms of the Public Works and Economic Development Act, the Economic Development Administration does have the authority to advance the state of the art and to engage in educational activities, and I think it would be wholly appropriate for EDA, perhaps in cooperation with the Appalachian Commission and related agencies, to make some fairly significant investments in educational programs, and these would have to be of a wide variety.

On one extreme, it would be a program comparable in scope to masters programs that are now offered in public administration and fields of that kind, where you take a college graduate and put him through a year's work in this field.

On the other hand, along the spectrum you would have shorter courses for people who have some experience in the field, but who need better grounding in certain disciplines and certain techniques, so there might be 3-month or 6-month courses for such people.

All this activity would have to be managed from a central point, and I think the creation of that type of organization, either within EDA or outside of EDA, to manage the whole spectrum of training activity would be well worth the investment.

The CHAIRMAN: Thank you very much.

In other words, we are doing it in the international field, but not in the domestic field.

Mr. Gibson?

Mr. GIBSON: It is your understanding that the legislation we have is sufficient, since we are advancing the state of the art for what we need, so we don't need new legislation?

Mr. CHINITZ: We need a sympathetic Appropriations Committee.

Mr. GIBSON: Just a couple of other questions.

Do you think that there should be separate rural development districts that would be distinct from the development districts which come under the EDA?

Mr. CHINITZ: I guess the real question is whether the program should be sustained so far as EDA is concerned. Under EDA, you can only have a development district in a formal sense if you have two so-called depressed areas within the district. In the Appalachian district—On the regional program under Title V as it extends to other parts of the country, the groundwork is now in place for New England, for the Upper Great Lakes, for the Ozarks, for the Poconos, and the Atlantic Coastal region.

Having a legitimate case for a district in a section of the country without a legal requirement is going to become less and less of a problem, because in all of these areas you will have development districts because you meet either the EDA requirements or the much more flexible requirements of these regional commissions.

So I do agree in principle that the district program should not be confined in the way it is now.

Mr. GIBSON: I am concerned also with what might be parallel rural community development districts, because there is some thinking that there can be and should be rural development programs, which I am sure we would all agree with, and I am concerned about, or would like your reaction to, what the implications of such a parallel set of programs would be.

Mr. CHINITZ: As I tried to indicate, I think the key concept in the district which probably would be violated if you pursue that is the tying together of urban and rural communities.

To refer back to Mr. Levitan's testimony, it's an effort to channel migration, but in a different dimension altogether, organize it within an area that's close to the source of migration, but does take advantage of the scale that urbanization confers where it now exists.

Mr. GIBSON: One last question, Mr. Chairman.

The CHAIRMAN: All right, Mr. Gibson.

Mr. GIBSON: It is related. I am interested in your reactions to the extent to, or possible need for, further legislation which would enhance the coordination of the use and the resources of the Economic Development Administration, the United States Department of Labor. I know that there are certain already-existing formal relationships with the Department of Labor concerning manpower training—the OEO.

We have in many instances separate, parallel citizens' advisory boards. The staffs are separate, and the experience of going into an area with needs being separately addressed by both of these areas, without contact between the agencies.

Would you discuss what might be obstacles that we could address ourselves to regarding better coordination?

Mr. **Chinitz**: Well, I have always had a sort of schizophrenic posture with respect to coordination. I think that there are times that we are overly concerned about the lack of coordination. I think it's quite legitimate to think of Government, in part, the way we think about private enterprise, and that is that in the absence of an established best approach to a given problem—and this is true, I think it is fair to say, of almost all the problems that we are now trying to solve, that we don't know the best way to solve them—that we have got to in a sense field a variety of attempts to solve them and rely on some kind of market process which is certainly not the kind of process which prevails in the private sector, but a shadow of it, to sort out the better programs from the poorer ones and let the more successful programs prevail.

I am, on the other hand, concerned at the other end of the relationship with the terribly limited resources in the local communities to relate itself to a whole variety of Federal—in other words, I think the fact that we have a lot of pitchers is okay, but we don't have enough catchers at the other end, because there aren't that many people who have the time or the capability to deal separately, to be separately involved in the economic development committees and so on, and I just don't know quite how to come to grips with that question.

Again, the educational function could help.

The **Chairman**: Thank you, Mr. Gibson.

Dr. Bonnen?

Mr. **Bonnen**: It is a pleasure to see my good friend Ben Chinitz again.

Just two questions. If you don't have any strong reactions, pass them by. But do you have any strong feelings about the possibility of—this kind of question has been asked before, but we will take preventive medicine in some of these cases, and we can see down the road that we are creating depressed areas. They are not intense now, but the ground has gone from underneath them in some areas.

Is there any type of legislation that would be needed to allow EDA to be active in a preventive as well as a curative way? Do they have this freedom now in any degree?

Mr. **Chinitz**: EDA has freedom in planning, which I think is rather fortunate. In other words, EDA in planning assistance is not legally confined to areas that meet certain statistics of unemployment and low income.

EDA can use its technical assistance in the most prosperous areas—in fact, it is through the use of this loophole that EDA has been able to make some contribution to the problem of ghettos in cities.

Following that, it becomes possible for EDA, at least in terms of planning, to look at an area and identify some prospective developments that might create problems in the future.

Well, this exercise itself could be done, and then to take steps involving planning, where the legislation cuts off your capability, that is where you want to start spending some real money on projects.

Then you do have these rigid requirements of eligibility. But realistically speaking, at the moment those are not the constraining factors. EDA right now has a total budget of public works of about $170 million annually, and there is a backlog of legitimate projects—well, the estimates vary, but a billion dollars is certainly well within the ball park.

So there is a severe need, and at this point it would be foolish for anyone to even ask for greater authority, because it would only complicate the rationing problem.

On the other hand, if there were more substantial funds, then it would make sense to give the administrator that additional bit of flexibility. And there is this provision about sudden unemployment. If you expect a sudden emergence of unemployment by the shutting down of a facility, you can act.

Mr. **BONNEN**: You have been closely associated with research in this area. Could you, either after you leave, or immediately from your memory, point us to any useful point of research on the question you were addressing yourself to earlier, this problem in the migration stream on the difference between the private and social costs? This is a very difficult area.

Mr. **CHINITZ**: I wish I could point to results, but it is too soon. I did, however, allocate some of the research budget from EDA to precisely this effort, which is now going on——

Mr. **BONNEN** (interrupting): Within EDA?

Mr. **CHINITZ**: No, no, at a university.

Mr. **BONNEN**: I see.

Mr. **CHINITZ**: To look precisely at this question, what does the social balance sheet look like as opposed to the private balance sheet on migration.

I can supply that, but I suppose EDA ought to be asked to do this.

The **CHAIRMAN**: I'm sure we can get this.

Mr. **CHINITZ**: It has a paper on every project in fiscal 1966.

The **CHAIRMAN**: Do any of you on my right have any questions. Mr. Samora?

Mr. **SAMORA**: One of the geographical areas that has been selected in the last day or so is the U.S.-Mexican border area. I am sure you are acquainted with the rural poverty in that area. Do you have any specific suggestions on that you might make to us, on what might be done?

Mr. **CHINITZ**: I am afraid not. Having just a passing involvement in—and this goes back to your question of coordination—EDA and OEO did go down to Laredo and try to work something out together, and I was not personally involved and I have nothing to offer, I'm afraid.

The **CHAIRMAN**: Thank you very much.

Mr. **GIBSON**: May I ask one last question?

The **CHAIRMAN**: Yes.

Mr. **GIBSON**: So we will have the opportunity to ask these kinds of questions of someone who has been operating in a number of these things.

Just on the coordination bit, I am not striking at the traditional coordination people to get together. I am more interested in what might facilitate the more comprehensive approach, what it might represent if jointly applied, and I know this will not happen in every instance, but what do you think of the feasibility, and I think this ties in both to your education remarks as well as to the business of getting—if within a given district which might include rural and urban communities in selected parts of the country which represent types of development or needs we could have something like comprehensive development projects in which the various agencies, OEO, Department of Agriculture, ARA, could jointly work out a plan with the Commission, if there is a regional commission in that area, and see if we could develop a program, laboratories, training for persons from throughout the area to come and learn programs, and then go back to their communities.

I think that this sort of thing could provide both a laboratory program and training which is tied to those particular developmental needs in that area.

How feasible is that sort of approach, say four or five major laboratories around the country, something like the North Carolina Fund——

Mr. **CHINITZ** (interrupting): I think this is a feasible thing to do, and I would like to see it done.

When I was in EDA, I would like to think that the district organization that EDA was trying to develop would in fact act in such a capacity, that its mission would not be the narrow one of trying to identify an EDA project, but much more comprehensively, to identify good projects for the area, whether they were to be financed by Labor, OEO, the State government, or whoever.

The **CHAIRMAN**: Thank you very much again. We would like a copy of your statement.

Mr. Boutin, will you come forward, please?

A little speech I wanted to make, as the one who is responsible for trying to keep this train on schedule today, is that the Commission has a rather important engagement that will necessitate the Commission hearings closing promptly at 5 minutes to 12, and we would like to get as much of the testimony out of the way as possible, because the witnesses have appeared here and expect to testify.

Good morning, Mr. Boutin.

Mr. **BOUTIN**: Thank you, Mr. Chairman. I am happy to have this opportunity to testify.

The **CHAIRMAN**: Mr. Boutin is the Administrator of the Small Business Administration and a former Director of OEO, and we are delighted that you can come here.

Mr. **BOUTIN**: Thank you very much. With leave of the Chairman and the members of the Commission, I think our statement says much more precisely than I could say it any other way what we want to present. I would like to read that statement in the record, and would be prepared to answer any questions that any of you has. May I?

The **CHAIRMAN**: Certainly.

STATEMENT OF BERNARD L. BOUTIN

Mr. **BOUTIN**: It has been said that the task of achieving a life of quality and dignity in rural as well as in urban America is one that will engage our minds and hearts and our energies for many years to come.

Not long ago we took an historic step in pursuit of that goal. Through the Economic Opportunity Act of 1964, we recognized—and accepted—a special responsibility to our fellow Americans.

It was a responsibility "To eliminate the paradox of poverty in the midst of plenty of this nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity."

It is in line with this responsibility that I submit this account of the course the Small Business Administration has taken as part of the overall effort.

The Small Business Administration was among the Government agencies given a mandate by Congress to do a specific job under the law.

Title IV of the Act outlined our function: ". . . to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skills and resources."

In short, we were charged with creating business opportunities for the needy and for those who never had been given a chance to use their skills and their talents in the mainstream of our economy.

This we set out to do. The record, over the past 2 years, shows that we have made substantial progress. Much of this has been in the small towns and the rural areas where SBA has been responsive to the need for small business assistance since the agency was established.

Roughly, half of the nearly 5 million small businesses in the country are located in communities of 25,000 or less.

Our regular business loan program has contributed to the alleviation of rural poverty by helping small businessmen in many of these communities grow and prosper and provide jobs for others.

Through September 1966, SBA had made 68,441 loans and more than half of these were to businesses in rural areas. That dates back, Mr. Chairman, to the foundation of the agency in 1953.

Our activity in rural communities has increased substantially in recent years. Nearly half of all our loans to businesses in rural areas were made during the past 3 years—a period of historically high activity for the agency.

The percentage of SBA loans going to rural communities has been increasing, too. In each year from the agency's inception in 1953 through 1963, the majority of our loans went to urban businesses. In 1964, for the very first time, more than half of our loans were made in rural areas. The trend continued in 1965, and during the first 9 months of 1966 approximately 55 percent of all SBA loans were made in rural areas.

This increased rate of activity in rural areas is due in large measure to our circuit-riding system which enables us to serve the people where they live and work as well as in the large cities where most SBA offices are located.

Since coming into the agency I have placed great emphasis on both circuit riding and outreach to smaller communities. We have just concluded an agreement with the Department of Agriculture under which the Farmers Home Administration will assist us in bringing word of our programs—especially the economic opportunity loan program—into rural communities.

Therefore, I am confident that we will continue to increase our assistance to business in rural areas.

While the majority of these rural areas are primarily agricultural communities, industry and business enterprises provide jobs for many workers who own or live on small farms and are dependent on outside employment for most of their cash incomes.

In one small Texas community, the financial assistance of SBA helped industry and business create 1,300 jobs.

Much of this was accomplished with the participation of banks. Still another means of alleviating poverty in rural areas has been our local development company program, established in 1958. This program is based on the concept that a vigorous national economy depends on the ability of each community to develop its own economy.

SBA's local development company program provides a way to assist small firms in rural communities. Through this program, business, industry, and local, State, and Federal Governments have an opportunity jointly to develop the economic potential of small communities that need their help. We are concentrating our efforts in communities of under 25,000 population.

Under this program, the community forms a "local development company" which SBA will assist through loans for use in financing small businesses. SBA will consider lending the company most of the needed money. For each $2 the company raises to finance a small business, SBA may lend it $8 on a long-term loan, up to 25 years, low interest basis. Communities with only a few hundred people have organized development companies, obtained capital through popular subscription, then borrowed from SBA.

SBA will lend a local development company as much as $350,000 for each small business it assists. If a local bank participates with SBA in a loan—and bankers, as leaders in the community's business affairs, generally do join in—the bank's share does not count against the $350,000 loan limit.

Practically any type of existing or new small firm—retail, service, manufacturing, or other—may be financed through SBA's local development loan program.

SBA through its local development company program helped to create 24,796 jobs during fiscal years 1959 through 1966, in rural communities having a population of 5,000 or less.

Following are the number of jobs created and the number of loans approved in the communities having a population of not over 5,000:

In 1959, 7 loans, 358 new jobs; in 1960, 18 loans, 1,325 jobs; 1961, 39 loans, 1,911 new jobs; 1962, 36 loans, 1,884 new jobs; 1963, 66 loans, 5,520 new jobs; 1964, 91 loans, 2,925 new jobs;

1965, 137 loans, 4,771 new jobs; and 1966, 187 loans and 6,102 new jobs.

Behind these statistics are the stories of the townspeople, the "rural folk," who fought to save their communities, their homes, and often their very livelihood.

A typical example is Lincolnton, N.C., where in the winter of 1962 many farmers "went on relief," and the unemployment rate climbed to 12.8 percent.

Amidst growing national prosperity, the people of Lincolnton were at a loss to explain their own poverty. Some said it was due to cutbacks in crop allotments. Others blamed automation. No one had foreseen the disaster.

Community leaders turned to industry. They asked its help in creating attractive business climate. The businessmen formed a local development company, pooling their resources to establish a financial base for their activities.

They sought out businessmen looking for an opportunity to expand. A local furniture manufacturer found the idea appealing. The Small Business Administration, through its local development program, lent the development company $300,000 to cover the expansion costs.

That was the way it began, but SBA's assistance did not stop there. Joint efforts of the community, the State, and SBA led to other projects. Within 2 years, SBA and the local development company had financed other enterprises—three furniture plants, a box factory, four textile mills, a lumber mill, and a glass fiber plant.

At the same time SBA helped upgrade other commercial operations, financing a five-unit shopping center and a professional building.

Within 2 years, SBA had approved 17 loans totaling $3,180,000. In addition, two new manufacturing plants moved to Lincolnton and financed their own construction. Retail sales and bank deposits jumped 30 percent in 1 year. The unemployment rate dropped to 1.7 percent.

It is interesting, too, to note the population in Lincolnton. In 1950, it was 5,423; in 1960, 5,699; presently, the best information we have, it exceeds 6,500.

Equally dramatic stories can be told about other rural communities with similar problems where sons and daughters leave home because there is "nothing to do" in town. They are taking their youth and ambition and vitality elsewhere, depriving the rural areas of the very strength and fiber of their continued existence.

Through its local development company program, the Small Business Administration hopes to keep rural America a "young America."

Our greatest hope of aiding the economy of impoverished rural areas, however, is our economic opportunity loan program, under which we implement Title IV of the Economic Opportunity Act.

I believe it is the duty and the responsibility of SBA to search the entire nation to find these low income people with the top potential to successfully operate a business, and then to help them. SBA must also help those people above the marginal income level who for too long have been in a sort of financial no man's land.

Under the economic opportunity loan program we make loans up to $25,000 for new and existing businesses to individuals with very low incomes and others who have suffered from lack of opportunity to compete in business on equal terms.

Through October 1966, the program was operating on a limited basis and loans were available in fewer than 50 communities, mostly low income neighborhoods of large cities. By October 31, 1966, we had made 2,476 loans totaling $25,296,230.

In the spring of 1966, I initiated a review of the program. This review, combined with the 1966 amendments to the act, led to a number of revisions which will increase the program's effectiveness, at least in my opinion, in rural areas.

First, the program was expanded to make loans available nationwide. At the same time, we placed equal emphasis on the poor and others who lacked opportunity wherever they are, rather than giving priority to assisting those in a few urban areas.

Additional funds were allotted to the program. The $50 million available for these loans in fiscal 1967 is more than double the previous year's expenditure.

Finally, the staffs of our 73 regional and branch offices are playing a more aggressive role in identifying potential loan recipients. They have been instructed to go into the low income communities, rural and urban alike, to seek out those who can expand viable businesses, exploit new ideas, establish small manufacturing plants, and assist other businesses which will have a healthy effect on the community's economy.

In their fieldwork, our staffs are working closely with community action agencies and other public and private organizations concerned with the problems of poverty. They also are calling on established business, financial and community leaders to induce successful business and professional men to serve as management counselors for loan recipients. This is a program that benefits the entire community, and its success in rural areas will depend to a large degree on the willingness of local organizations and individuals to contribute their time and know-how to help their neighbors help themselves.

Who are some of the people being helped by this program? Robert G., who lives in an impoverished rural region, the southeastern corner of Oklahoma, is one of them.

This machine shop operator leased his equipment and building from an estate and employed one mechanic and one helper. Last September the estate advised him it was selling the equipment to the highest bidder. Unable to obtain a bank loan, Mr. G. went to SBA. We helped him with a $15,000 loan, $9,000 for the equipment and $6,000 to purchase some land and construct a new building.

Today, believe it or not, he employs 14 people and has expanded from a repair shop to a subcontractor for NASA, the Air Force, and some large and small private companies. He estimates he will have 30 people on his payroll by October 1967. Without the SBA loan, he says, he would have been forced out of business.

Perhaps the most dramatic evidence of how economic opportunity loans can assist a depressed rural area can be found in McCurtain County, Okla., where there is very little industry.

The county's population dwindled from 41,000 in 1940 to 25,000 in 1960 as young breadwinners moved their families to the cities.

Two out of three households in McCurtain County earn less than $2,500 a year and more than 85 percent of the households earn less than $4,000. Eighteen percent of the adult population receives old age assistance.

In the summer of 1965 a committee of volunteers working with McCurtain County's community action agency began working with the Small Business Administration in the implementation of the economic opportunity loan program. In addition to identifying and assisting loan applicants, the committee provided management counseling to loan recipients.

McCurtain County was ripe for this type of effort. It coincided with a $42 million reservoir construction project by the Corps of Engineers. There would be many business opportunities if financing could be secured.

In the past 15 months we have made 72 economic opportunity loans totaling $711,000 in McCurtain County. These loans created 172 new jobs and another 82 jobs are anticipated during the next 12 months. About 40 percent of the loans went to new businesses.

Virtually none of the businesses financed by SBA qualified for private financing a year ago, but today several have established short-term credit lines with local banks.

Here are some of the ways these rural businesses have been helped:

A World War II veteran who attended a welding school received a $15,000 economic opportunity loan to open a machine shop. Today he employs 11 people, who support a total of 57 dependents. Two of the employees returned from factory jobs in Oklahoma City to work in the machine shop in their hometown.

A small concrete block manufacturing company financed by an economic opportunity loan is selling its product in a three-State area.

Two garages specializing in diesel engines and heavy equipment are attracting business today from a Federal highway which cuts through the county.

More than 80 established local businessmen, bankers, and professional men are providing management counseling to recipients of economic opportunity loans. The counselors receive no pay and meet expenses out of their own pockets.

Southeeastern State College has come into the country to offer free management training seminars.

The McCurtain County story shows what can be done with a sound loan program and some local leadership.

We have taken steps to make certain that no community in this country will be deprived of these loans because it is unaware of their existence or doesn't know where to find us. This, I am sure you will agree, is often a problem in rural areas.

The staffs of our field offices now are in the process of bringing word of the economic opportunity loan program to virtually every rural county in the nation. Our field personnel are either visiting these counties or meeting with their community action leaders at regional and statewide meetings.

We are bringing this program to the people, wherever they need it and want it.

No one has been more cognizant of the plight of the rural poor than President Johnson. He has said, "The task of achieving a life of quality and dignity in rural as well as in urban America is one that will engage our minds and hearts and our energies for a lifetime."

This, then, is the keynote, the call we must answer. The promise of America must be open to all of its citizens or it will have meaning for none. The challenge is enormous, but we recognize at SBA that we can do no less than succeed.

Thank you very much, Mr. Chairman.

The CHAIRMAN: I am sure the Commission is pleased to note that SBA is progressively making a greater contribution in helping rural America.

As I understand the thrust of your testimony, you believe more could be done by SBA in this area.

Mr. BOUTIN: Absolutely.

Mr. BROOKS: For information, you have two types of loans, a small business loan and apparently an economic opportunity loan. What are your requirements on the small business loan? Does the local group have to put up 20 percent?

Mr. BOUTIN: No. Under Title IV loans, these could be softer loans than ordinarily we would make. They are loans for up to $25,000 for a maximum term of 15 years. They carry an interest rate of 5½ percent except in EDA-designated areas, where the interest rate is 4-⅝, I believe, at the present time. It is determined by the Treasury.

There is no collateral requirement. We depend heavily upon the ability, the motivation, the initiative of the individual. We have no precise rules of how much collateral they must have, or how much money they must have.

We do try to make a sound feasibility study of what they want to do, and if the individual in our opinion has it, then we try to provide him with the wherewithal either to start a business or expand a business.

The 20 percent program is the local community development program, where local citizens gather together—not local government, but solid citizens—neighbors put in $1, $2, $10, $1,000, whatever they can afford, to provide the 20 percent.

We will match that with up to 80 percent, so they in turn can re-lend the money to small business.

I can cite a community up in New Hampshire, my home State, Whitefield. Their plant burned in 1954. There wasn't a single industrial-type job in that town. These people went out and raised the money, neighbor to neighbor.

The clergymen were out knocking on doors, the selectmen, and everybody. Today, they have a fine plant making high quality furniture for college laboratories. People are employed. That town is thriving, and it was just about as dead a place as you could find until this program was initiated.

Mr. BROOKS: I know something about that program. I am not too familiar with this private program where you lend up to $25,000. You say whether you determine, whether the person has it or not, and I'm wondering how you determine that.

Do you have any local committees, local groups, or anybody to check with you in determining these loans?

Mr. BOUTIN: We do it by several vehicles, actually. We use the community action agencies, where they exist. We get their advice and counsel, where they know the individuals involved.

We go to local banks, local people in the community. We use our SCORE program—service corps of retired executives who are in the area and might know something about the individual.

Every State has at least one SBA advisory council, all volunteer people, most of them business people. They furnish us with a wealth of information.

Actually, we tap every source that's known to us, and we do a great deal of personal interviewing, which I think is the secret.

Mr. BROOKS: You see, the question I am raising, of course, is the possibility of success of the project, number one. Number two, the opportunity. For example, if you already have that particular type of operation in a small town, there might not be room for two of those, and even though the man might be all right the opportunity is just not there. There is not enough of that particular operation to succeed, and of course you have to have a reasonable volume of any operation in order to survive economically, so that was the only question I was trying to determine, the method you were using there to determine the competence of the person and the chances of success and, number two is the competitive situation in the particular project that he might be going into.

Mr. BOUTIN: We look at both very, very hard. I think this is particularly true in ghetto areas, where there are certain types of businesses, particularly, that minorities have gone into. This has been the tradition, and you simply establish another one and accomplish nothing at all. You don't add to the economy, you don't add to the right of entry.

We make very sure by doing feasibility studies that the type of business is a needed business—it isn't an obsolete type of business, it isn't one that will automatically put someone else out of business, or lower the market potential.

This has been very controversial, and the New York Times—I was surprised at the Times, that they didn't have the breadth of experience that we were trying to do—I think they wanted us to establish beauty shops on every corner, because this was a traditional type of business.

The CHAIRMAN: One more question.

Mr. RUDDER: You stated a minute ago that in your home State they began to build this furniture. They probably had the skills there. How did you go about the marketing of this product there? How did that phase work out?

Mr. BOUTIN: This particular case happened to be a manufacturer in Connecticut who wanted to expand. So we didn't have to do a market survey. It had already been made. They were able to demonstrate that they could sell everything they would manufacture.

What we did have to do was to work with the Department of Labor to establish a manpower training program.

Mr. RUDDER: Suppose you wanted to start something like this and didn't have the market confidence?

Mr. BOUTIN: We would have to initiate a market survey.

The CHAIRMAN: Dr. Ford wants to make a factual inquiry here.

Mr. FORD: Yes. I want to ask whether the Small Business Administration needs more funds than are currently appropriated, and to what extent your current appropriations are actually being disbursed in the form of loans.

Mr. BOUTIN: That's a good question. Congress provided two new vehicles last spring, a year ago, that have changed the whole complexion of funding in SBA.

One is a separation of the disaster loan fund out of the business loan fund. SBA had had moratoriums five or six times in its rather brief history, because it ran out of money. One of the cases was Hurricane Betsy down in the southern part of the country. A tremendous demand, $130 million that had to be used for disaster victims, and for about 6 or 7 months there was no business loan program, except on a guarantee basis, which is very limited, so we were in trouble, and this had been the tradition.

I think that the small business community always was in doubt—"Is SBA in today, or out today?" This has now been dispelled, particularly with the additional vehicle of selling our own paper on the market, the participation certificate program, so we keep turning over our loan money on a continuing basis, so we are well funded.

Our program plan, exclusive of disaster loans, for fiscal 1967, all programs, is $403 million. We are going to obligate at least 85 to 90 percent, including all programs, of that amount of money.

Now, that includes the small business investment company program that has been moving at a slower pace. As an example, Mr. Philgren's program, the Title IV program we have been discussing, we have set aside $50 million, and I think we will use practically all of that.

In our regular loan program, I think that we are going to be very close in the total amount available. We are running right now on the regular business loan program, $22 million a month.

Mr. FORD: Thank you.

Mr. GALLEGOS: May I ask the doctor a question?

Is information available regarding the ethnic background of recipients, and by region? I think it's important, because particularly in the Southwest, American Indians, Mexican Americans, and other poor groups in that area have expressed some sense of futility about availing themselves of these services, and I wonder if you have information on what has been done in those areas, for example, the delta, where poor Negroes feel they have been left out?

Mr. Boutin: I am sure you know we are prohibited, as have been other Government agencies, prohibited from keeping our records on this basis. So we don't have the information.

To better define how well we are doing on the economic opportunity loan program, to this fiscal year to date we have been doing an unofficial type of count. We are running 30 percent Negro, we are running an additional 80 percent minority groups, be they Mexican American, Indian, Oriental, and so forth.

In New Mexico, as an example, our regional director down there is Dick Valdez—I don't know if you know Dick or not—but he is of Spanish-American ancestry, speaks Spanish fluently, and has an excellent liaison with the community.

I think clearly that we need increasingly to do more and more in this area. We are taking a hard look right now at the possibility —what I think can be a very exciting project—of taking an Indian community, a reservation, just start from the bottom up, use it as a prototype, get businesses established, work with the local leadership.

As an example, the State advisory council. We have been looking for this type of representation. We have a very prominent Indian who I am appointing as a key member of our Oklahoma council, simply because we need to establish better communication, a better dialog, with these communities.

We are well aware, for instance, of the situation in eastern New Mexico where an immense amount of work needs to be done.

I know that when I was in OEO some of the statistics are shocking, to think that that kind of poverty could be existing anywhere. It does. We got feedback from some of the VISTA volunteers in that area.

The Chairman: Thank you. You have been a very fine witness. Will you leave a copy of your statement with the clerk, if you haven't already? Some of the Commission members have asked for it.

Mr. Boutin: Thank you.

The Chairman: Thank you for coming.

Dr. Ernest Nesius, please come forward.

This is a fellow West Virginian, so I want to ask fellow Commission members to be especially kind to him.

Good morning. We are happy to see you. We have interest in the programs you are working on, studies at West Virginia University, Morgantown. You have a relatively new concept, and you have been a prime mover in it at the University.

We are pleased that you have come to talk to us about your work this morning and about what you think can be done about rural poverty.

Mr. Nesius: Thank you, Mr. Stanley.

STATEMENT OF E. J. NESIUS

Mr. Nesius: As I tried to put together a statement for this Commission, I tried to do something that not everybody else would be doing, so I have tried to second guess.

I have a statement that takes about 30 minutes if I read all of it, but I am going to read portions of it.

All of my professional life I have been closely associated in one way or another with university efforts, farmers, farm groups, professional agriculturists, and government programs.

The most significant of the advances credited to agriculture has taken place during my lifetime. Thousands of other agricultural professionals, like myself, have been the role players on the stage of this great agricultural revolution.

The dominant theme that has continued through all my years of association with agricultural instruction, extension, organizations, and government has been higher farm production at the lowest cost. This, the efficiency model, which we all espoused, has resulted in the survival of the fittest.

In my earlier professional days, as I worked directly with farmers on their business enterprise through the keeping of farm accounts, and with county extension agents in their efforts to establish demonstrations of all kinds, a common subject of discussion among us centered about the reasons why one farmer so readily adopts new farm practices whereas his neighbor continues in his trudging way with the same old methods. I am not sure the question has been answered even today. Those farmers who did accept the modern technology are the ones today with the viable economic units. Those who did not either no longer earn their livelihood from the farm or are found in the low income groups, if they have not retired or passed on.

I also recall in the prewar period when my department of farm economics and rural sociology conducted a seminar series dealing with the small farmer. Two conclusions came out of this seminar series: (1) That every farmer had equal accessibility to the information of the college, and (2) that the profitable practices always spread from the first to adopt to the last. Today this is called "trickling down." Within the framework of these two conclusions, the college of agriculture decided not to develop a special program expressly for small farmers.

Another assumption implied by the programs of the agricultural establishment, and when I use the term "agricultural establishment" I include all the government agricultural groups, colleges of agriculture and all that, State and Federal, because they really have the same philosophy. But another assumption implied by the programs of the agricultural establishment was found in insufficient concern for the community, the countryside, and the general welfare of all farm families.

Whether students of history will say this was the responsibility of the agricultural establishment is to be determined yet; but this failure accounts for what today is called the "rural lag." The matter of responsibility is still unresolved today.

Another point related to income level: We seldom said to a farmer, "What level of income do you need to properly rear your family and provide family comforts?" We assumed a family must live within its available means. There is a significant difference in the methods for these two approaches. About a decade ago, however, we became serious about income level with farm and home development and rural development programs.

To the discussion so far I would reemphasize these points: (a) The problem of the small low income farmer was clearly recognized before World War II, but because the environment for analysis was the efficiency model, the psychology of the moment was against devoting the needed time and energy to his problems; (b) there was not enough information to provide the needed insights into the unique problems of the small income farmer; (c) responsibility for the welfare, education, and community matters was not assumed or given to any organization or group; an (d) within the efficiency model, the primary factors of concern are either inputs or outputs to the production process. These included farm labor, consumer marketing programs, roads, and to a significant extent, education of the young.

I do not wish to leave the impression that we disregarded the rural family. Homemaker and youth programs have records of outstanding success. But even they fitted into the efficiency model.

I wish to continue with the ideologies that prevailed in the rural communities, and also to a large extent among professional agriculturists, because they are significant to the problem of rural poverty as we see it today.

(1) Farming was considered basic to the welfare of our total society. The vices associated with the city were not considered as temptations found in the rural community. While there was much dirt on the farm it was cleaner than the dirt of the city. In the open country, a man had a compelling and close relationship to nature and to God. Therefore, the farm was the ideal place to raise a family of children inbred with integrity and high morals.

(2) Farm labor was considered as a factor of production in the efficiency model and thus the hiring of a man, or having a tenant or cropper at low cost to the farm operator, was a positive factor in the efficiency model.

(3) Neighborliness was important, not only from a socializing point of view but from the standpoint of efficiency of operation. Trading of work and exchanging of machines was important.

(4) Agricultural economists in their outlook meetings consistently have held up the specter of another depression. This, I believe, scared away the less brave and perhaps advanced the cause of the more aggressive.

As you can see, the efficiency model stands out; it has been the prevailing philosophy of the agricultural establishment for the past century. For the most part, it is the prevailing philosophy that governs the agricultural establishment yet today.

It is not my intention to be critical of the efficiency model, but to a point it is out as a fact of life. As I reflect over my years of deep concern for agricultural development, I don't see how we could have had a different philosophy than we did. It would be difficult for me to criticize the past because it has produced the present. It is fortunate today and indeed a result of our own economic growth that we do have a conscience which recognized the need for consideration of the welfare problems that beset many of the rural areas today.

I do not believe that the agricultural establishment could have convinced the farm families that their sons would be better farmers and thus better citizens if they were provided with education beyond high school. As professionals, we were faced continually with the farmer reaction that a good education was not the prime ingredient for a man to be a successful farmer. Also, the concept of a fair and equitable income was different in former years than now.

These are important moments of the past to reflect upon. They demonstrate that the agricultural establishment does have a wide range of experiences over a long period of time which could be a sound foundation to any kind of a program that pretends to solve the question of rural poverty.

I have a section in here on classifying the poor. I assume the Commission has heard more about the nature of the problem than it has the solutions. Solutions are difficult to uncover, and research-derived information is needed.

I think that the rural poor should be divided into two categories: (1) Those with marginal incomes, but holding goals paralleling those of the larger American society, and also a set of aspirations that coincide or are easily adjustable to our middle-class structure of values, and (2) those with marginal incomes who possess a feeling of hopelessness and lack of aspiration based on the improbability of achieving success because of the controlling values and goals of their social environment.

The families in the second category have a design for living made up of traits which characterize a culture separate from the way of life of the larger American society. It is called the culture of poverty.

In the first group, the rural family will be found to be a participant in the local church and in the various organizations and social arrangements of the community, whereas those of the second group will be excluded, or as some would say, they exclude themselves.

Recognition of these two classes of poverty in rural areas seems to me to be the first step in approaching the problem of poverty. Each poses an entirely different solution. To the first, solution is relatively short-run and may be solved simply by contriving ways to raise income and provide employment opportunities; but for the second, the solution must be of longer run and involve a more complicated package of politics, power dynamics, education, and cultural value orientation. Obviously, solutions to the first are much simpler than to the second.

As a total society, we tend to have hope for the first group but we treat the second group as outcasts. Also, we know very little about the methodology of bringing improvement to their lot.

To overcome the difficulty of identification programs, they should be developed to ameliorate discrete problem situations—in other words, let's pick out situations rather than people—for example, absence of manual or technical skills, lack of social skills, absence of alternative employment opportunities, et cetera.

Not considered would be those situations which cannot be corrected; e.g., color of skin, age, et cetera. Attention to identifying such problem situations would produce 10 to 25 discrete, but important, areas for program development.

Now, let me talk about situations, and I have five or six here identified that I would like to dwell on. First is the situation that might be related to the job ladder.

We need to give much attention to the occupational ladder up which a person in the rural areas might climb. Any occupational ladder should be without a terminal point in either its vertical or horizontal direction. Means should be possible to move from one rung to the next. At the moment, the general prescription for moving on the occupation ladder is education and experience. There should be others. Perhaps you will agree that the rural poor have great difficulty in finding an occupational ladder.

The problem today is the lack of room at the bottom. Our mental image is of the job pyramid. Today the job pyramid appears to be inverted. Increasingly, there is less room at the bottom. The traditional idea of entry at the bottom and work up to the top is no longer the description of the occupational ladder. For example, to be a school dropout is to have no likely place of entry.

Even the armed forces screen out the young men needing some place to start. It is essential that we have a point of entry for those with the lesser job skill equipment. When the job ladder becomes a reality, then there will be aspiration and expectation, which all the writers seem to agree is essential. The answer lies, therefore, in making jobs available at the bottom with a job ladder in prospect.

The second situation I would like to discuss deals with educational opportunity.

Our educational system does not provide an education for the young people needing it the most. The system is not receptive to the poor. It tolerates them, but lacks the curriculums and the counseling service and the patience to meet the problems of the rural poor. The rural poor, in general, go to schools of low student population with curriculums geared to college entry.

Another slant on the subject of educational attainment is that the laws and regulations of our society should insist that no young person, particularly men, be permitted to leave a school or training situation without possessing a working knowledge of either manual skills, technical skills, managerial skills, or mental skills. Given these, entry into the job market will be possible and important.

At this moment, our country is without a comprehensive program which would guarantee our society that the high school dropout will not be a drag on our society all of his life. Efforts have been minimal as measured against the nature of the problem to provide comprehensive curriculums in the high school, to provide vocational training schools, to have technical schools attached to junior colleges or to universities. As long as we continue to deal with the problem in minimal terms, we are continuing to accelerate the nature of the problem in later years. We are creating our own future poverty problem by permitting dropouts and young people to be released to society without job skills.

I am in favor of more stringent rules.

We should not overlook the problems of speech and social skills. A young man coming from the hollows, or the backwoods communities, or from the families of the culturally poor will have a style of speaking and possess social skills that are almost insurmountable handicaps to moving into the middle-class social environment or up the job ladder. Methods of assistance are available and proven. A good example is the effort at Howard University to remove the dialect from the speech of Negroes. These methods belong in the school or training system.

I would like to talk about alternative opportunities for employment.

A dominant characteristic of the rural community and open countrysides is the absence of alternative employment opportunities. A coal community will serve as the example where there is only one major employer. Another situation is where there are many employers but for only one type of work, for example, tobacco production. In either instance, the worker, whether he works for wages only or whether he is a small farm operator, has limited alternative employment opportunities.

In effect, he is locked in, both incomewise and occupationally; he has neither bargaining power nor an occupational ladder. Therefore, he is automatically in the low income group.

It is obvious that in the communities where there is only one employer, methods need to be devised whereby a person desiring a different job has other opportunities in the community if it is intended that he remain in the community.

Now, I would like to talk about the institutional structure, and by that I mean various arrangements that man creates for himself to get his various collective jobs done.

The institutional structure within which the poor live perpetuates exploitation, excessively low wages, high interest rates on borrowed money, the trader and gambler to prey on the weak, and unreasonable rental agreements. All of these and many others which permit exploitation need to be studied and revised.

There are programs of the Government which perpetuate low income; for example, small direct income payments may be sufficiently large to hold people in their particular economic position but not large enough to meet income standards. For example, tobacco control programs and, in too many instances, unemployment compensation.

I have another section on responsibility for the rural poor. Which department of Government, Federal or State, should be responsible for the rural poor? The answer probably lies in a combination of the departments, because situations and the resulting problems as found do not necessarily correspond to departmental organization.

A key question concerns the degree of responsibility for the rural poor by the traditional efficiency-oriented departments at Federal, State, and college levels.

Probably we cannot take any combination of existing programs and construct a satisfactory solution. Neither can we just appropriate a greater amount of money to existing programs and expect significant results to the problems of the rural poor.

One of the weaknesses of our Government and of our appropriating system is that we pour more money into the existing programs which profess to be serving the poor but which, in reality, have failed in the past and continue to fail to provide effective solutions.

Rather, each agency with certain competencies through executive direction or through appropriating bodies, should be required to allocate more resources and competencies to effectively assist the rural poor. And, it cannot be "just more of the same."

Furthermore, some means of central coordination needs to be developed whereby the various programs are integrated and set into purposeful action. Logically, the coordination function should be in the agricultural establishment.

More responsibility needs to be placed at the State and local level using the State as a fulcrum for making the Federal systems more effective. I feel strongly on this point. Federal domination and control must be lessened. An extension of the Federal Government programs is increasingly making the States ineffective and at the same time making them more liable for criticism. It will be a sad day if society should conclude that the State and local governments are ineffective and therefore should be abolished.

We should not overlook the churches. Church leaders are struggling to find new approaches. They are concerned. They need to be encouraged.

I have a section here on time dimensions. We must assume more than the period between elections to realize significant results. Characteristic of our American impatience is the prevailing philosophy that we must demonstrate success within the first years, and if not, then we should ditch the whole matter.

If we are to develop permanent and comprehensive programs, these factors surface as important: (1) Program development should be a thorough process resting almost altogether on proven research, (2) programs should be detached from the active political process, and (3) the program should be comprehensive, with adequate funds to accomplish the objectives.

Realizing that financing comprehensiveness is probably not feasible, we should take the key programs and finance them completely. For example, we could concentrate in our educational efforts on the younger age groups and then follow each age group through the years.

For example, start with the preschoolers on an entirely new system and carry them through each school year. By this plan, the next year we would concentrate on all the preschoolers. In the following year we would include a new program for the second grade, and so on for 17 years. In 17 years, we would have eliminated the culturally poor. Young people coming into society would hold a set of values commensurate with the larger society.

Now, a section here on knowledge about the rural poor. It is a very short one.

This discourse may illustrate all too well what little knowledge we have about the rural poor. We are relatively uninformed about the various traits and characteristics which represent the culture of poverty as it is found in rural areas. We may believe we understand, in broad terms, the culture; but in terms of specific traits, the time required to adjust them, the desirability of changing, and the nature of the aspirations held by the rural poor are only a few of the many problems that need to be researched. Therefore, any effort to evolve solutions for the rural poor would be in error if it lacked a research component.

In summary, as I have attempted to review the problem concerning the rural poor, I have been aware that many people have appeared before you and presented different ideas and perhaps stated better many of the points I have made.

I have endeavored to outline a general framework within which program-making could take place. To summarize it: First, describe the broad situations which need to be corrected; second, within each situation identify the groups of people with certain similarities; and third, within each group divide them unofficially into the poor because of current circumstances and the poor whose heritage is culturally deprived.

Finally, it seems to me three additional points should be made to the earnest efforts of this Commission: (1) That it needs to hit hard at the existing structure of poverty in order to effect change within it, (2) any campaign against the misery of the rural poor should be comprehensive, and (3) because you are dealing with delicate human problems, efforts to standardize, computerize, and impose systems on those potentially worthwhile human beings should be done with the most careful judgment.

Thank you for this opportunity to present these ideas to you. You have my good wishes for a successful report.

The CHAIRMAN: Thank you very much, Mr. Nesius, for a very fine statement, and we do appreciate your coming on a little earlier than you were supposed to. Being a versatile man, we had no fear that you would use an extra 10 minutes.

Any questions?

Mr. BROOKS: I would like to ask one question. My background originally was out of a university, and I left because of low income of farmers in the area. It was in Georgia. It was down to $72 for a year's work in 1932, and that is about as low as you can get and still stay alive.

We immediately ran into this problem you were talking about of stimulation of people, in order to create this increased desire for high productivity, if that is one—certainly, one of the criteria that we have had in agriculture for a long time, to stimulate a desire to move out of this bottom class that you are talking about.

One of the things that we did, for example, was to get our growers to paint their homes. We took paint and did jobs at cheap prices.

Now, I have been in homes where—we had no painted homes, hardly, in that area, but old ladies, who were 70 years old, had never lived in a painted home. I have seen tears stream down their cheeks.

But you immediately created a desire, they wanted to make this next step and move up into this next group you are talking about, and we have seen thousands of them move up through the years to where, today, they have got, not elaborate homes, but good homes. They have electric lights, water works, they have television, they have all the modern conveniences, and they have moved up into the mainstream.

Now, I don't feel quite as hopeless about this as you do. I have seen too many that we have taken from the bottom here and moved up, and so I think it can be done.

Mr. NESIUS: My general reaction is that there are many smaller things you can do with people of lower income classes, because you always find some of them that are more ready to cooperate than others; but if you are going to have a broad uplift, everyone has to feel that perhaps it is necessary to be President of the United States, so that they can keep going up, so to me this is the most fundamental of all ingredients that we can give people.

Mr. BROOKS: I think you have to give hope, and a belief that they can do it.

Mr. NESIUS: They can do it, but that ladder has to be there. Without it, the son sees his father doesn't have a chance, and he gets the same impression, and he drops out.

Mr. BROOKS: We have a philosophy that you can't wish or hope or dream on the government to give you a high scale of living. You have to produce it, but there was a way for you to produce it, to increase your productivity, and we wanted to give you the weapons to do it with, and consequently we have seen that work.

We have eliminated all the income group—we haven't eliminated all the low income group and all the poverty, but we have eliminated most of it. We have come a long way.

Mr. NESIUS: Good for you.

The CHAIRMAN: Mr. Rudder?

Mr. RUDDER: How would you go about doing this job, breaking these people out of the social structure they are locked into?

Mr. NESIUS: I think there are many groups that would have to be concerned with it. Youth groups, for example, Boy Scouts, 4-H Clubs, have to help; and the church groups have to help. But the real effort must be in the schools.

As I said in the paper, it is such a tremendous job that you can't take the whole vertical structure at the same time, and maybe if you will take the first graders and bring cultural orientation into the schools—they will have new social skills, they will have speech, and a way they can move into society.

Mr. RUDDER: Somebody wrote about the lost generation.

Mr. NESIUS: Yes. No more lost than they were in the past. The poor existed a long time ago. We weren't as concerned about them.

The CHAIRMAN: Are there any more questions from the Commissioners on my right? (No response.)

The CHAIRMAN: On my left?

Mr. LIBBY: Dr. Nesius, we have heard from witnesses who have said that working with the rural poor we would need a constant service.

Personally, as far as I am concerned, this is a splendid idea, but from experience, when you try to work at a local level in counseling the poor, you have a lot of failures.

I was wondering if you had done anything in the West Virginia area in the way of counseling that would help us?

Mr. NESIUS: We had a 5-year project that has resulted in turning the community upside down. We had three communities which were very carefully selected, out of about 30. One is 39, one 45, and the other 65 families. We set up a program for them, and this process involved the mothers, and with the mothers we got the teenagers and finally got the fathers, and they did all the work themselves, the reconstruction of their school—we didn't have any money to do it.

It led from that to a respect for their community. It completely re-did their whole community. One thing we haven't solved is this employment question, which is tremendously important.

But if we project that method on a national basis or even on a basis for West Virginia, we have something like 1.2 million people, and say 600,000 are in a low income situation. We have 200,000 families.

You divide that up by four, the families, and you can say we need 500 workers in order to do it, and this would assume that all of them are consolidated into communities, which they are not.

We haven't done any direct counseling such as a welfare person would do. It has been mostly to try to motivate collective and individual efforts. It is an expensive operation, but in terms of what it costs for juvenile delinquency—for example, look at your national training school at Morgantown. The building itself is going to cost about $10 million, and we will have about 250 boys, all between the ages of 16 and 19.

Sixty-five percent of them are there because of thievery, car thievery for the most part; 90 percent of these boys will be school dropouts, without opportunity. If we put that cost against what it would cost to do something else on the constructive side, we might find this side is cheaper than the other.

Mr. LIBBY: Have you used 4-H Clubs at all?

Mr. NESIUS: Yes. About 45 percent of the 4-H Club members are in families of low income.

The CHAIRMAN: Mr. Roessel?

Mr. ROESSEL: I would like to ask a question of clarification. You seemed to indicate that with regard to education if we could get these kids in school for 17 years, I believe you said, that we could then eliminate this cultural poverty, or whatever you want to call it.

I wondered what your comment might be for those individuals or those groups in our nation who are not trying to lose that which they are. I am speaking of the Indian, the American Indian. If you were to present this alternative to him, I think he would turn education down. I think he looks upon education as a means to both keep that which he has and add that in our society that he likes.

I wonder if you would comment on this. Is it possible to do this? Do you think it might be desirable for those who want it?

Mr. NESIUS: I think you raise the question of whether you can have the better part of two worlds. You want to retain the tribal culture and move into American culture. They are incompatible.

Mr. ROESSEL: When you say they are incompatible, isn't this the basis for our country, the respect for differences?

Mr. NESIUS: No, not necessarily. In order to have a democratic nation we want—a person has to be able to move from one to the other. The poor have a ceiling over them and they can't move.

Mr. ROESSEL: I think you need to make a distinction between the poor culture and the——

Mr. NESIUS (interrupting): Yes. I hadn't considered the Indians. But again, it is a decision to be made by the Indians. They can't have the best of two worlds.

The CHAIRMAN: Dr. Johnson?

Mr. Johnson: We hear people talk about more organization and more technical staff and more motivation for these low income people.

Don't we have enough government agencies out there now, and enough technical staff, if we just motivated them to work with our low income people? It would be a tremendous help, would it not? (Laughter.)

Mr. Nesius: The point I made in my paper is that we will not solve the problem by just more of the same. And it is my suggestion that no one agency can be the total solution in the first instance, and either through executive direction, meaning the President of the United States, or the Congress of the United States ought to designate the units that do have something to set up a special unit only for that purpose. It ought to be separate from the rest of it.

If the overall philosophy of an organization runs to, say, the efficiency model, it's pretty hard to deal with the inefficient. There would be, if there is a separate line in it.

Mr. Johnson: I don't want to pursue it beyond a point, but you have the educational agency out there, that does the education among the people, all the people. There is nothing in their regulations to say they work with the rich only. You have the Soil Conservation, the welfare, and on and on. It seems to me that what we are going to do is to kill these poor people or let them about starve to death, while we are talking about somebody to help them, and we have got all these people out there.

I don't know what they are doing, actually.

Mr. Nesius: I can't say, either, because I am not acquainted with all the States.

But rather than try to create a whole new superstructure, which is what you are saying, the resources ought to be pinpointed to this problem. I mean, rather than talking in generalities, let's get to talking in specifics, with people, money, and programs devoted explicitly for that purpose.

Mr. Johnson: Well, of course, I want to make my feelings plain. I think what we ought to do is dissolve all these other agencies and set up a new one and go from there.

Mr. Nesius: I wouldn't agree with that.

Mr. Johnson: I think we have come to a point where we have piled more agencies onto more agencies so there are——

Mr. Nesius (interrupting): Dr. Johnson, you have perhaps seen the projection of the way the employment is going to go for the next 10 or 15 years, and the largest increase in employment is going to be in government service.

The Chairman: What Mr. Johnson is saying is the lady who reached the age of spinsterhood who decided she had rather go through life wanting something she didn't have than having something she didn't want. (Laughter.)

Mr. Johnson: Thank you, doctor.

The Chairman: Mr. Bonnen?

Mr. Bonnen: I thought I heard you say something, Dr. Nesius, that I would like to have you expand. I thought you said the program should be detached from the political processes and at the same time adequately funded.

That seems to me inconsistent. If you adequately fund these programs, they have a major political interest and can make an impact on structures. What do you mean here, really?

Mr. **Nesius**: When this program was set up, it was set within the political framework, and as a result had to be accomplished within this framework.

First of all, you have to get it out of that framework, and secondly, all the money that travels from one politician to another before it gets to where it is going to get to work.

Appropriations to land-grant colleges, and some of the departments of government are outside of the political process.

Mr. **Bonnen**: Outside the direct political process, you mean.

Mr. **Nesius**: Yes. If it goes from the President to the Governor, and from him to the local county——

Mr. **Bonnen**: I understand what you mean.

One further point. You touched on it, but I wonder how optimistic you are. You pointed out some of the problems about the institutions in the agricultural establishment.

How optimistic are you of their successfully dealing with this latter category that hasn't been too successful so far? What are the prospects? Can the extension service change its stripes?

Mr. **Nesius**: My paper, instead of listening to what they say they are doing, turns around and tells them what they have followed.

Mr. **Bonnen**: Who is "they"?

Mr. **Nesius**: All the agencies that we call the agricultural establishment. I'm in agricultural extension. You ask me what I am doing, and I can tell you, and we are doing some good work.

If you ask other agencies, they will tell you what they are doing. They will all say they are good, and they will prove they are doing beneficial work.

What I am trying to say here is that there has to be a direct assignment to do this, rather than asking what has been done, but stay within the existing structure.

Mr. **Bonnen**: Who's going to give that instruction?

Mr. **Nesius**: Either the President or Congress.

The **Chairman**: Mr. Rudder?

Mr. **Rudder**: Mr. Levitan said this morning that he didn't think the land grant colleges could do this. Do you feel that the land grant college is the vehicle, or at least a major portion of the vehicle to do this job?

Mr. **Nesius**: No, I don't. I think that it is a combination.

Mr. **Rudder**: A combination of what?

Mr. **Nesius**: The colleges, State governments, Federal Government, and local government.

Mr. **Rudder**: Saying you would have work being done by your extension department, and then there would be agencies at the State level, and then there would be some other agencies—are you saying have three working on the same problem?

Mr. **Nesius**: No, I don't. In Kentucky, when I was working on rural development, we were working in a common community. We sat down with the other agencies and said what is the general problem. The Soil Conservation Service said, "I can do this," the vocational agriculture people said, "We do this," and extension said, "We can do this."

They were fitted together automatically. Each one was working independently, but——

Mr. RUDDER (interrupting): Who was the overall coordinator, or the directing force?

Mr. NESIUS: The only people who can coordinate agencies are local people. No one agency can coordinate another agency.

Mr. RUDDER: Someone said a little while ago that there are so many of us that if we don't want to cooperate, they simply walk away from you.

Mr. NESIUS: If we find we have a community group that is really interested in the problem, they will coordinate the agencies, because the agencies have to serve them to exist.

Mr. BONNER: On the other side of the coin, if the agencies go out with the notion they are the sole actor on the policy, they destroy any success in obtaining program objectives. I think that is in the back of your mind, too.

Mr. NESIUS: Very true.

Mr. BONNER: The baby gets thrown out with the bath water when you challenge the roles of the agencies.

Mr. NESIUS: The colleges have a very unique and very clearcut role, and they can't be processed.

Mr. RUDDER: Who should take the lead?

Mr. NESIUS: I would say the President of the United States and Congress.

Mr. RUDDER: I mean in the local community. What agency?

Mr. NESIUS: I am not so sure. I don't know just how I would answer that. I just hadn't thought about that well enough to respond. Probably it would take a local group.

Mr. RUDDER: What is wrong with the extension service taking this lead?

Mr. NESIUS: Well, the extension service could get them together the first time, but I am not sure the extension service ought to do all the leading.

Once the agencies get together and they begin to put their competences together, leadership sort of evolves itself. In one community you will see one agency the leader.

The CHAIRMAN: I see them passing notes, so I think we are going to, in order to be fair to the next witness, we are going to have to end this discussion at this point, Dr. Nesius. We do appreciate very much your coming here.

Mr. NESIUS: Thank you.

The CHAIRMAN: Dr. Whisman, we are glad to see you. We are sorry that your ex-boss, Governor of your State and Chairman of this Commission, cannot be here to greet you, but I will give Tom Ford and Dr. Hutchins equal time to put in a plug for the State of Kentucky. I just made my plug for West Virginia.

You have been working in this area for a number of years, particularly in your home State of Kentucky, and we look forward to what you have to say to the Commission.

STATEMENT OF JOHN D. WHISMAN

Mr. WHISMAN: Gentlemen, fellow Kentuckians, fellow Appalachians, and fellow Americans, let me say that first of all I will have a prepared statement for you later in the day. The only excuse I will offer is that this has been one of those hectic weeks, which I expect from the nature of the composition of this Commission you would understand.

I think I could say essentially what I have already put on paper here this morning. I think perhaps the first thing I ought to do is to identify the manner in which I speak.

The statement that I will give you here is not a statement of the Appalachian Regional Commission. If you know how that Commission is made up, you know that is rather difficult. I represent 12 Governors on the Appalachian Commission and I wouldn't propose to make a statement that would be the statement of those 12 Governors.

However, I have held this job for a while and have not been fired, so I will suggest to you that I can make a statement that will not be inconsistent with the views of those 12 Governors, and I think this may be the significant thing about my appearance here.

If you will ponder the conservative and liberal Democrats and conservative and liberal Republicans who were able to come together on one of the most complicated programs we are trying to administer in the program today and reach not only agreement, but consistency and action, I think maybe I could quit there and say if you knew how this was done and you could use this in the national attack on poverty, you would have something, and if I could say no more I would settle for that.

But I speak as a person who has been for many years what I never called—but you might call—a poverty warrior, and I speak as a person who has identified himself as a developer, and I think that's also significant and in spite of the great experience that I could call upon, in personal associations with individual people in poverty, with an analysis of what the problem of poverty is, and with all of that, knowing the witnesses you have here and the resources you have to draw on to get that kind of information, I am going to skip that.

I am going to deal on one central focus—again my personal view —which is a factor that will affect the strategy in the attack on poverty, and most especially world poverty.

I started in this business as a poverty warrior as a volunteer citizen. I would like to recount that fact. I didn't start in government—I heard someone ask if we don't have too much government. I think maybe we do, but I think we still lack some of the action that we ought to have out of our democratic government.

I started in this business as a Jaycee, a community development worker. I became president of the State Jaycees, and became the original national chairman for community development of the Jaycees, and the national program changed its projects, with a movement down in Kentucky to do something about the problems of our poor, if you will, except down in Kentucky you find when you put it that way, we sometimes say, "We're poor, but we ain't cheap."

Frankly, we never thought about this "poverty." We had some problems we wanted to whip. We had people who needed jobs and, by the way, we knew from the outset it wasn't just as simple as jobs, and I sometimes hear that politically it is just a problem of jobs. It is nowhere near that simple.

But we knew we had a group of problems, and we attacked them on the basis of we had to create a better community, create opportunities in our community, as one half of this picture.

The other half of the picture, we had to help people get the opportunities. This is essentially the type of strategy I would like to discuss with you.

The CHAIRMAN: May I interrupt you just for a moment?

Dr. Whisman, the Commission will have to adjourn at 5 minutes to 12, because we have an appointment at the White House, and I just wanted to make sure you understood the time limitation.

Mr. WHISMAN: I have a very brief statement, really, and I hope to yield to questions if the statement generates any.

I am going to discuss one idea. The point I want to make is that this program was not born here in this town. It was born in Kentucky. It was born of people. It was not born of Government. It was born of Kiwanis, Rotary, ladies' clubs, and people who got together—Dr. Nesius, by the way, was part of this activity—and you have seen similar things in all your States.

We went a little further, and we began to concoct what is today the Appalachian program.

I left private industry, where I was working, and I became director of the East Kentucky Development Commission, later became director to Governor Coombs, and it was the leadership of Governor Coombs and Governor Breathitt that has brought this concept into full force.

It is in full force in Kentucky today, and it is making progress on the problem. I worked with Governor Coombs and Governor Breathitt, and I want to note that the progress moves upward.

We organized the community groups, and area groups, and then the conference of Appalachian Governors. We came as a conference of Appalachian Governors to President John F. Kennedy, and in 1963 we created the President's Appalachian Regional Commission, which was essentially identical to what you gentlemen are, and I relate this experience, because along the path we became in precisely the same position as you.

The question before us was we didn't call it poverty then, if you will remember. We called it underdevelopment of human opportunity, of communities, and so forth. We saw this as a strategic problem.

Yes, we related it to a particular piece of geography, but I suggest to you that the lessons we feel we are learning, and we are still learning them, are transferable to the national so-called poverty program, and the thing I want to suggest to you is that I do not think they are presently incorporated in the national attack on poverty.

I do not believe the national attack on poverty does have a strategy, and certainly it does not have a proper strategy. This is not a critical comment on those who created the program, because I participated in that task force that helped to draft the Economic Opportunity bill.

My point is, though, that the key problem is that we have dealt with details, we have dealt with questions as to whether Headstart is strategically more useful than a class for dropouts. We have dealt with these kinds of problems without ever assembling the strategic capability to attack this problem.

As I move through the question of where I think we are today, let me make these points. I think the most significant factor to the fact that poor people exist and that we want to help them is twofold.

One is today, or at least some time in the lives of all of us sitting in this room, we and humanity generally, and in the United States in particular, have acquired the capacity to organize and use our resources and our technologies in such a way that we can provide comfortable minimum standards of living for everybody.

We learned this a little while before we decided to do anything about it, but again, in very recent years we have, through the democratic process of our government—this is the second point—we have declared as a national policy that we will begin specifically to organize our actions to achieve this goal, specifically to eliminate poverty.

Now, that's two things, then, that have happened. We recognize that we can do the job, and we have decided to do the job.

The third question that you address yourselves to, how do we do the job?

If I could draw for you a chart quickly, I would like to begin to suggest some of what I think is the strategic problem of the "how." We in humanity for a long time, and government—any government, whether it is democratic or not, by the way—has a certain number of things to do. You have to deal with problems of health, transportation, such as highways, railroads, how you get from here to there, problems of education, problems of municipal government, political science—certain things that you could draw as a list (indicating).

And for about as long as I can remember in the past, and my knowledge of what has gone before me, we addressed ourselves to these functional categories. We had people who were expert in what to do about health, what to do about transportation, et cetera.

More recently, and not within just the past couple of years, but recently, we have begun to establish, through government, goals which are quite different. Among these goals are full employment, the elimination of poverty, solving the problems of cities, solving the problems of rural areas—these kinds of goals, which are not functionally divisible in terms of health or education or transportation, and if you were going to draw a chart, you couldn't list elimination of poverty as just one more goal.

You would have to list elimination of poverty up here ahead of the whole chart, and you would say here in the health program there is something extra to be done about this goal to eliminate poverty.

In the transportation program, there is something extra to be done. Now, one of the reasons that we decided—first, we recognize that we know we can eliminate poverty—is that we know about the technical resources we have to do the job.

But as we then went to the second point and decided to use government, to use our institutions to do it, the thing I would suggest to you is that we didn't properly organize—we tried, we got pretty close—but we didn't organize the relationship.

The word "exclusive" becomes a problem here. I often hear poverty workers use "an exclusive" program in the War on Poverty. We have bureaucratically said one-third of a committee must be poor.

As one who has spent a lifetime in this profession, if it is a profession, and I think in this age it will become one—I don't know that I will ever be called professional, but I think the profession will be recognized—I think that we can no longer treat this as an exclusive goal, but a goal to be properly related to the other things that we do.

National defense, to me, is an equivalent goal to the elimination of poverty. We secure national defense by so managing all our categorical programs that we see to it that within each program the proper thing is done to meet this goal. This is what we need, what we have to do, with poverty.

We must include in the poor, and we don't include them in by using the word "exclusive."

I would like to refer to this very quickly, and then I am going to close, Miles, to a poverty warrior who was reported to live some years ago. His name was Robin Hood. He had a merry band, similar to the merry band that roves our country today. He had a poverty slogan. He said, "We shall rob from the rich and give to the poor," and I would like to suggest to you that because of the things I pointed out earlier, which are not news to you, that the slogan, while it was most appropriate then, because in those days to help the poor you had to fight the establishment, you had to fight the power structure, and I am using the dirty words here, and I insist that today the establishment, the power structure, is on our side, and if I can make no other point I think that this is the most significant point to be made.

Miles, the reason it is especially significant in the rural areas is this: If we simply deal with the poor person, the more we improve the poor person and fail to improve that rural environment, fail to bring an urbanization—and in the discussions about culture a while ago I don't think this necessarily means a change in culture. I think you can maintain cultures in an urban environment easier than in a rural environment.

But if we don't involve the regular agencies, the power structure, if we don't make this our goal, if we don't abandon this idea of purposely going out to undo the power structure, in my opinion we are wasting the prime resource that we cannot fail to use if we are to win the War on Poverty.

The basis of the War on Poverty, I remind you again, was our own recognition that we have the resources and the technical capacity to win the war. The technical capacity resides, if I may be broad in using the term, among the rich. It resides among those who have the talent, have the leadership, have the resources to do the job.

I think it is a blatant myth that these people cannot be enlisted in the War on Poverty, but I think one mistake we have made so far is to use the strategic approach that sets them away and says that what they have done is to make people poor.

The people who are poor are not those who were made poor, they are those who remained poor. In our age, more and more people are leaving those ranks daily.

In closing, and I have not dealt with detail—I would cite the Appalachian program where we used the nation's resources in a partnership basis with the rich, if you will, of the Federal Government, the leadership of this town. But we press as much as we can that leadership back down, and on the way back down we insist that those who can solve educational problems are educators, and we do not say that the reason that education has all the problems it has is that educators are bad.

We recognize that the reason is that educators have had too slender resources, and they have not had the previous benefit of a policy, for instance, to eliminate poverty.

Now, with the resources, with the decision to do the job, I maintain we must reverse this process of alienating the rich in leadership, the rich in resources, and concentrate on all the resources we have. I think that we are going to win the War on Poverty, but the kinds of things Ernie Nesius was talking about, this is important at the community level, these groups, and I will answer the question you asked him. He was getting to it.

We have not provided in local government or any place else the answer to that question, what kind of agencies deal with this problem, because it is a comprehensive problem.

Now, it has to be a comprehensive agency, but it has to move through the Constitutional processes. This means that in State government you are going to have to derive the power of the comprehensive group from the local Governor. Whoever the chief executive is, democratically elected, has got to be involved. Then you add the comprehensive group, and the comprehensive program, and you add the elimination of poverty as a total goal, and I think we will win.

The CHAIRMAN: Thank you for a very fine statement.

Mr. Gibson?

Mr. GIBSON: I want to ask about something we heard was going on in Kentucky, but before we get to that, I would like to get your reaction concerning the dirty words that you used, power structure and the establishment, and your stipulation that they are on the side of the poor.

To me, it is not as clear as it seems to be to you. A very large contingent of those who are in poverty that we have confronted in our hearings and that I know about from experience, are those agricultural workers that have no protection on the National Labor Relations standards, who do not earn a minimum wage, or who, when they complete the Title V programs that are providing training for them, and I think if you get them off welfare sometimes earn less than a dollar an hour, and in many other ways I see reflections that the "haves" do not easily give to the "have nots."

I think that the poverty program that we not have, deficient as it may be, may not have been possible had there not been the very tremendous upsurge of civil rights activity of a few years back—beginning a few years back. I think our concern with the deprived and the poor and the initiative which they took, and we appended ourselves to the bandwagon that some of us have gotten onto somewhat inadequately thus far.

I find, therefore, that my own experience doesn't bear out yet that the initiative for the elimination of poverty has been sufficiently grasped by the "haves" so that we can say the recent aggressiveness and energies recently exhibited by the "have nots" is an impediment.

Thus far it is the base of it.

I would like you to comment on that a little further, but in Kentucky, a very significant thing seems to be occurring relating to incentives which State programs provide to employers, industrial groups, who, when they come into the State, are encouraged to locate in small towns, in rural areas, in order to provide economic bases which are needed by those particular areas.

Mr. WHISMAN: You asked a very complicated question, but first of all, let me try to answer it incisively.

There are a variety of movements that move in the course of human affairs, and you can't deal with all of them in the sense of changing all of them.

I think that bigotry, racial bigotry, is also—the elimination of racial bigotry is obviously another national goal that has been endorsed by the basic power structure of the country.

No movement ever takes place that doesn't have its adherents and dissidents. If we were to go to Kentucky, I am sure you would know that in the early days the Governor moved with an Executive order even before there was ability to move through legislation for this.

We have dedicated our program in Kentucky, and by the way, this is the strategy. You speak, for instance, of a department that is related to industrial development, and that department, to be successful, must involve industrial power structure. When you are going to get a man to locate the plant and his profits are involved, it is pretty hard to say, "We want you to locate here because there are some poor people."

Unless he is interested in cheap labor, and I am speaking frankly here, he is not going to be attracted by that. We are trying to maximize the site that happens to be incidental to the problem, where our people live.

This, to me, is moving in the economic development factor, which has a strong bearing on civil rights, and I think the best way to give a man rights is to make him responsible, make him capable, but I don't discount at all that this doesn't deal with bigotry. It doesn't deal with the fact that you have "haves" in local communities who try to hold to the status quo of the power structure.

My point is that given the influence of the rights movement you talked about, and other movements, such as the organized labor movement, the interest of churches, the growing awareness of all humanity that we can do these things, the strategic thrust of our movement is such now that I am saying we need to recognize that the protest factor is not the strategic factor for civil rights, in my opinion, sir, but it goes—we have reached the point where we can afford to be constructive, we have reached the point where we would be successful involving the power structure.

The CHAIRMAN: Mr. Gay has a question.

Mr. GAY: Mr. Whisman, isn't it true that a lot of what you are saying goes with the word "involvement"?

Mr. WHISMAN: Yes.

Mr. GAY: I have found during my lifetime that you can take the bureaucracy, the "haves," the power structure, or, as we used to call them down home, the "got rocks," and if you can get them involved in this poverty problem you have got the game pretty well underway.

If we think we can lick poverty in this nation without getting the "got rocks" and the "haves" and the power structure involved, we are barking up the wrong tree. We've got to have them. It is a question, is it not, of getting them involved?

Mr. WHISMAN: Yes.

The CHAIRMAN: Are there any further questions by Commission members? We have 2 minutes.

Mr. BROOKS: I would like to say that I am in full agreement, that we can't separate people out and get the job done, either on the bottom or the top level. We are going to have to involve the whole area, and you are going to have to use the people with the most ability and who have the most know-how of this problem.

By the same token, I don't think we should take the lower group and separate them out. I think that is the worst thing that can happen, because they think they can't pass into the next stage.

Mr. GIBSON: Mr. Chairman, I don't want Mr. Brooks or the Chairman or the esteemed witness to think that the structure is not involved.

The thrust of your statement was with the initiative, where the initiative lay. I have not observed that the talented and the capable have yet begun to show the initiative we have spoken about.

The initiative has come from the "have nots" in pressing for what they need. I agree we need to involve these people. I would be interested in the "hows" of getting the talented involved. I don't believe they are yet coming in to the degree we agree is needed.

Mr. WHISMAN: I would simply say the best example I could give you as to "how"—and with a lot of qualifications—is exemplified in the Appalachian program; and recognizing they are not involved, and that many people have not yet subscribed to this national goal, we are on the way to involvement. And my testimony is that success requires the involvement of the poor, and we have accomplished that, but it is right now a little overemphasized. Overemphasizing it may alienate what we have to have, and I assure you there has been human progress based on desire to serve——

The CHAIRMAN (interrupting): Mr. Woodenlegs?

Mr. WOODENLEGS: I just want the Indian people to be included in this program, and you call yourself a warrior. (Laughter.)

The CHAIRMAN: At 1:30, we will meet back here, and Mr. Simon's testimony will be given at about 2 o'clock this afternoon.

I am told you do not need your hats and coats, and you may leave your papers, et cetera, right here.

(Whereupon, at 11:57 a.m., a recess was taken for lunch.)

AFTERNOON SESSION

(Mr. Bonnen assumes the chair.)

Mr. **BONNEN**: Will the Commission come to order.

I shall be substituting for Miles Stanley as Chairman for a while.

Our first guest this afternoon, to whom we apologize for having delayed, is the president of Campbell Soup, Mr. William B. Murphy. We are happy to have you here, and we will just proceed.

STATEMENT OF WILLIAM B. MURPHY

Mr. **MURPHY**: I understand you gentlemen have not had lunch. I want to assure you I have had the same experience. (Laughter.)

Mr. Chairman, and members of the Commission, I happen to be a member of the Food and Fiber Commission, and we have a slight charge on the score of rural welfare, and I think we will be dealing with it with a broad brush. I understand you are looking at this in depth, and I am not going to tell you what we are going to say, but it won't be anything that's comprehensive to you.

I appreciate your invitation to appear here today. Our company has a vital interest in the welfare of rural America. Campbell Soup Company has operating plants at a score or more locations in the United States, and many of these are in rural areas.

While we have a natural interest in farm productivity and the economic health of the rural areas in which we do business, our concern transcends these immediate interests. As in all business, the long-range welfare of our company is tied to that of the country as a whole. Being in the food business, we have, I suppose, an above-average interest in farming and rural areas.

A year and a half ago, I discussed this subject in an address before the Economic Club of Detroit. Because the situation is much the same today, I would like to reemphasize some of the comments made earlier concerning the location in rural areas of a substantial percentage of new industrial plants.

At the same time, however, I would like to discuss a few of the problems that we have encountered in locating plants in rural areas.

I am sure that the members of this Commission are aware that this country's 164 metropolitan counties with populations of over 100,000 occupy only 5 percent of the nation's land area, but that within them is concentrated 48 percent of the country's total employment in manufacturing establishments.

In examining why this has happened, the question arises, has industry concentrated in the cities because the people are there, or have the people gone to the cities because industry is there? The answer, of course, is that both have taken place.

Eighty-eight percent of the counties in the United States today have a total population of less than 100,000. They represent 32 percent of total population. Just 35 years ago, these same counties represented 42 percent of the total population.

What has taken place in this 35-year interval has been a combination of metropolitan industrialization and scientific farm developments producing tremendous increases in farm productivity. As a result, many millions of people no longer needed on farms have migrated to localities where job opportunities existed and especially to the metropolitan areas.

It has been conservatively estimated that over the next 35 years our population in this country will double, but that the number of farms will decrease from today's 3,300,000 to about 1,500,000. It is also estimated that farm population will drop from today's 12.5 million to about 6 million as further improvements are made in farm productivity. This 12.5 million people on today's farms will actually increase to 24 million people under the doubling of population in 35 years, but only 6.5 million of them will be needed on the farms.

This means a surplus of about 18 million. And there is no estimate for the reduction in numbers of people in rural towns who make their living by serving the farm population. This reduction can easily match in numbers the surplus from the farms. The trend to fewer and fewer farms and lower farm and other rural population has been going on for many years.

Farming is an exciting occupation when the farmer has good education and training and when the farm has the potential to be profitable. This requires a sizable acreage, modern high-production farm machinery, funds for fertilizing and spraying, and ample water supply.

But it's certainly most discouraging to be a break-even or loss farmer, and so over the last several decades there has been an evolutionary change entailing large, year-after-year reductions in small farms. This will continue, in all probability, until there remains a hard core of well-educated, high-income farmers.

Speaking as a taxpayer, this will be a good thing in more ways than one, but as a person, I must say the change presents a mammoth human problem.

The 6.5 million people who are needed on, and who remain on, farms 35 years from now will probably have a far better standard of living than those living on farms do today. But what about the 18 million surplus people who could be living in rural America by the year 2,000. It is my hope, and I might say belief, that the merit of industrial decentralization will have been recognized to a far greater extent by that time and those no longer needed on the farms and who have the necessary education will find jobs in plants located near their homes.

I believe the key to this potential problem, however, is the same key to the problem of the unemployed everywhere—education and training.

If manufacturers are to decide to locate a larger proportion of their new plants in rural areas, they cannot be expected to solve the rural unemployment problems by hiring those who are undereducated and untrained. In rural areas as elsewhere, industry, to be effective, must recruit the best employees available—the best trained and the best motivated; not the least.

The fact that there is considerable unemployment in the poor sections of big cities today would seem to argue for concentrating new plants in those areas rather than rural areas. But this seems to me to be a superficial conclusion. There are plenty of job opportunities in the big cities for trained people.

There is an enormous segment of the business complex that can't be disassociated from the great population of the metropolitan centers. I refer to the services industry, bigger than the manufacturing, which includes retailing, wholesaling, utilities, transportation, construction, entertainment, banking, insurance, and all of the other types of services that are necessarily indigenous to the population. They must be located where they are needed.

Certainly one must expect that in the future there will be many new plants built near the cities, especially those in the service industries.

But if most of the new manufacturing plants, as distinguished from the services, are built in metropolitan areas this won't solve the unemployment problems of the undereducated in the cities. However, as in the past, it is likely to cause millions more from the rural counties to drift to the big cities to look for jobs.

I believe it is in order to suggest, therefore, that in the United States today manufacturers can do themselves a favor and our country a service by allocating a fair share of their new plants to the rural areas.

Of course, industrial decentralization is taking place in many areas right now. Although plants are springing up in some rural places, many are also being built in the metropolitan areas as well. At the present time, the population trend is still toward greater concentration in the metropolitan areas, and it is difficult to say what must take place in order to reverse this trend.

Of the nation's 28,800 manufacturing establishments having over 100 employees, only 2,062 of that 28,000 are located in rural counties. This is about one per county. But there are literally thousands of small places hungering for manufacturing industries.

Using our company as an example, 2½ years ago we completed construction of a million-square-foot plant in Paris, Tex., a community of about 21,000 people. This plant now employs about 1,200 people.

This was a very close decision as we had many opportunities to go into small places in Texas where conditions were generally adequate. Incidentally, the number of applicants for jobs in that plant was fantastic.

Last year, we completed and began operating a new plant at Sumter, S.C., a town of 23,000. This plant could have gone into any one of many locations in the southeastern part of the country, all with adequate land, labor, water, utilities, and so forth.

It is estimated that total costs for salaries and wages, benefits, ingredients, services, and supplies this year at Sumter will total over $20 million. For a town of 23,000 population, that is quite an economic uplift. A considerable part of this goes to farmers. This will help lift the economy in this section of South Carolina because a dollar of private enterprise money turns over three or four times.

I could give examples of other such plants in Ohio, Maryland, Pennsylvania, Indiana, Arkansas, Minnesota, Nebraska, and California; in small towns, wherever one of these plants has gone in, there has been a general uplift in the economy and a general uplift in the employment situation.

These plants are located in towns as small as 2,000 population. In these places, employees are sometimes drawn from a radius of 15 to 30 miles, some off the farms, unprofitable farms. In the past 15 years, our medium-size company has added roughly 14,000 employees in smaller communities as our business has expanded.

This has meant that some 50,000 to 60,000 family members have been held in their home communities rather than forced to move into larger places looking for jobs plus at least that number of people in the services industries dependent on money circulating from those families.

You may be interested in a comparison we have made of the growth rate in disposable income at several of our new plant locations as contrasted with the 5-year average before these plants were built.

At Paris, Tex., we constructed the new plant there in 1963 and 1964 and it began operations in November of 1964. Income per household in Paris the following year, 1965, was growing at a rate 26.2 percent faster than it was in the 5-year period from 1957 through 1962.

This growth rate surpasses that of the county, the State, and the Nation for the same periods. In Washington County, Ark., Campbell has two manufacturing plants—one that has been there for many years, and a new one constructed in 1963 and 1964. Disposable income per household in Washington County in 1965 was growing at a rate 35.8 percent faster than it was in the 5-year period from 1957 through 1962 before the newest plant there was built.

By contrast, the income growth rate for the State as a whole that year was 29.9 percent ahead of the 5-year average mentioned, and the Nation's income growth rate was 24.3 percent ahead.

Of course, there are some obstacles to operating manufacturing plants in small cities and towns. The difficulties might be considered to be these: Shortages of management and executive personnel, reluctance of some company executives or their wives to take assignments in small communities, lack of trained mechanical workers, inadequate utilities, lack of construction work forces.

Of all of these, the most serious one is the possibility of inadequate utilities. It may be necessary to put in one's own water or sewage system. This is an extra cost, of course, but we have found it to be more than offset by the lower tax rates.

The matter of the lack of people who are trained or can be readily trainable has been exaggerated, in my opinion. The men and women from farms and small towns tend to have good work habits because of their way of life and their early training. Our organization at Paris, Tex., for example, where we took a green force from scratch and trained it to handle some of the fastest metal-working machines, such as can body makers and aluminum presses, and intricate electrical devices, such as electronic sorting machines, automatic controls, and computers, developed the necessary skills in at least as short a time as is par for the course in urban centers. We have no concern on this score.

However, it was necessary to screen a very large number of job applicants in order to find a competent work force. This has been true in other rural areas as well as in some cities.

Being the main industry in a town has many advantages, but also I suppose the disadvantage of being constantly in the spotlight. However, an industry that deals fairly with its neighbors and employees will make many friends. Also, I think there is something to be said for being wanted.

The arguments for locating new plants in rural areas would seem to be so numerous that one is inclined to wonder why new plant construction is still tending to favor the cities. At first glance, one might attribute this to the fact that the cities are better organized and more vocal in selling the merits of their communities. For the past two decades, however, some rural communities have developed considerable skill in attracting industry.

Competition has become so keen among States, counties, and municipalities for shares of the industrial pie that the situation is in danger of fostering excesses which may not be in the best interests of the taxpayer.

The technique of using the credit of a municipality, enhanced by the Federal income tax immunity for municipal bonds, industrial development bonds, to finance the construction or acquisition of industrial plants for lease to private industry was begun just a quarter of a century ago.

Today, a total of 37 States have authorized some form of industrial development financing, and eventually the remainder may have to resort to industrial aid bonds in competitive self-defense.

The Investment Bankers Association has stated that industrial aid bonds issued in 1965 amounted to $213 million compared to only $47 million in 1960, and they have estimated that in 1966 industrial aid bonds snowballed to a total of $680 million. In my opinion, the way it is going, every State in the Union will have to do this to protect itself, and this figure will get into the billions.

There are a great many arguments for and against industrial bond financing. It has been argued that the practice helps by creating new jobs, stimulating local business, developing natural resources, attracting additional industry, and creating new tax ratables. There are arguments against the practice, however.

In a speech in November and reprinted in a magazine in December, the director of the North Carolina Department of Conservation and Development, Dan E. Stewart, stated that in his opinion industrial aid bonds are not sound for the country as a whole for a variety of reasons. Among them: (1) They eliminate a source of tax revenue much needed by the Federal Government, by the State government, and by local governments, too, whenever local ad valorem taxes are waived; (2) the increasing volume of industrial aid bonds will increase the competition for other types of municipal financing needed for utilities, highways, and so forth, and might also force upward the interest rates on such local government bond issues; (3) and especially important, as Mr. Stewart points out, subsidized capital costs for new industries will have a competitive advantage over the previously established plants which used conventional methods of financing.

At the same time, this subsidized financing competes with those financial institutions which have helped to develop the country in large part through their conventional loans—another instance in which we would have what amounts to further government competition with private industry.

May I say this, and this is not Mr. Stewart's comment: A community that is well developed can better afford to make a favorable deal to get a new plant than a community that is not in good shape. This whole thing of tax-free industrial development bonds is a highly questionable practice, in my opinion.

Mr. Stewart is not alone in this criticism of industrial aid financing through municipal bond issues. Similar observations are to be found in another statement published last month by William G. Colman, executive director of the Advisory Commission on Intergovernmental Affairs; and still more are listed in the book "Industrial Aid Financing" published in 1965 by Goodbody & Company.

The extent and seriousness of these objections would appear to call for a further study to be made by the Federal Government to see if the best interests of our country are being served. The point is, someone has to pay the tax bills. We are a company who have three plants competitive with free plants and no taxes to pay. We have to meet that competition. We are not very happy about it.

Finally, there is one other subject I would like to mention which has to do with another economic problem with which rural communities must deal in the future—the growing ranks of unemployables.

Much has already been said about the young unemployables, those undereducated and untrained for jobs in industry. But of all types of unemployables, the young have the best chance for improvement. They are at a flexible, adaptable age, and solutions to their problems may be found soon enough to be of benefit for a greater portion of their lives.

The situation is more difficult, but correctable, with adequate training and motivation for the unemployables in their middle years. The outlook is more difficult for the elderly for obvious reasons.

The great need, it seems to me, is for the rural communities themselves to use their imagination and resources to develop education and training facilities that will give the young and the middle-aged unemployables the opportunities they need to improve and prepare themselves.

In metropolitan areas, those who want work and who have the training and education can usually find a good job if they persevere. But in the rural areas, where there is less occupational variety to choose from, this is less true. This, of course, is why it is so good to have manufacturing plants locate in areas where there are and will be good future job applicants.

It seems to me that the rural unemployment problem centers on increasing the educational levels and, where necessary establishing training facilities to the end that there be a higher proportion of rural people who are competent workers.

You see, I am a believer in education and training as the primary corrective factor for rural poverty. People who are qualified for jobs attract industry or will go where jobs are available since they have the job competence. I personally have never seen a healthy, educated pauper.

In Philadelphia, there is an organization called the Opportunities Industrialization Center (OIC). Possibly you are already familiar with this magnificent venture. I happen to be familiar with it right from the time it started, and have helped a little bit.

It was one of the country's first massive self-help manpower training programs of its kind and was founded by one inspired individual in an abandoned building in the heart of one of the main poverty sections. While not limited to helping those of any particular age group, the Opportunities Industrialization Center program is the type needed for those beyond school years.

It is a good example of "self-help" in urban areas which warrants the attention of the rural areas. It was able to help many who did not have adequate education or training. Its founder, the Reverend Leon Sullivan, said in a recent article in the Philadelphia Daily News:

> The educated, well-trained individual in America has little problem in pursuing a career. If anything, his principal headache is choosing between a number of promising job opportunities. But there is another manpower resource that presents an entirely different scene. There are thousands of untrained, unskilled people in Philadelphia and throughout the nation who lack only the proper preparation, the encouragement and the opportunity to make a valuable contribution to the economy and the nation.

Dr. Sullivan's OIC program has spread from Philadelphia into 65 cities all over the country. Eight of these have been founded by three Government departments with grants totaling $5 million. But for the most part these organizations have helped themselves and stimulated a great partnership of business, philanthropy, and government.

Thank you very much.

The CHAIRMAN: Thank you, Mr. Murphy. We certainly appreciate your taking time out of a busy man's life to give us the experience that your company, and particularly you yourself, as you have been very active in this area, have had.

I now entertain questions from the Commission. Those on my right?

Mr. BROOKS: May I ask more specifically about this program in Philadelphia? Just what did they do in the way of education and training?

Mr. MURPHY: Dr. Sullivan is a Baptist preacher, and he has a high level of intelligence and energy, and he just got tired of seeing people loafing. He found an abandoned police station, and he got permission to take it over.

He got machines, sewing machines from the textile trade, lathes, some kitchen equipment from several of the restaurant chains, and so forth, and he called up a number of people and got some money, and he corralled some people and said, "I'm going to train you to run a lathe, or wait on a table, and I'm going to show you how to dress and how to act.

He had the kind of personality, and this mushroomed. These people had a pride of achievement, they had no trouble getting jobs. They knew how to talk and act and dress, and they knew how to do some job, and thus just a terrific——

Mr. **Brooks** (interrupting): What is primarily——

Mr. **Murphy** (interrupting): Vocational training and human behavior.

Mr. **Brooks**: He did not go into too much education in books and things of that kind?

Mr. **Murphy**: Vocational training and behavior.

Mr. **Lawrence Davis**: That is spreading to some other large cities with similar problems. The thing I want to ask you is experience that the industries have in smaller rural areas, especially in Arkansas. I happen to be from there.

We heard a little testimony that more or less tended to devalue—and to disagree with—the philosophy of industrial bonds, aid by issuing bonds, who held that perhaps the industries going to the smaller rural areas might have to move out and leave a work problem.

What has been the experience of industry? Has industry been satisfied generally with this sort of plan, and do you think it has been really effective in rural areas, in a State such as Arkansas?

Mr. **Murphy**: You mean a State or county building the plant?

Mr. **Lawrence Davis**: Yes, and has industry been satisfied generally with the results of this program?

Mr. **Murphy**: I don't think in general industry likes this at all. If it spreads the way it's spreading now, and every State in the Union does it, and if your competitor does it, what are you going to do? He can run you out of business, because he has no overhead, or no taxes to pay.

Industry can be forced into it over a period of time, and it's snowballing so much. A lot of my friends in industry don't like it at all. I don't think the Treasury Department likes it at all. I don't think the labor unions like it at all.

You can go into that plant, and you don't own it, and you can run out of it, too. You don't have to make it go, do you?

Mr. **Lawrence Davis**: What has been the experience of industry——

Mr. **Murphy** (interrupting): I wouldn't know about that.

The **Chairman**: Mr. Gibson?

Mr. **Gibson**: I was interested in the statistics you gave us. It causes me trouble because we are talking about a probable 18 million projected surplus. We are concerned about those people, who will be added to our current problem, or will have been added by the time this generation comes of age, and we look at programs like the OIC and the other kind of programs which have been moving into job creation and training and manpower preparation thus far.

We see, in several years, for instance, in Philadelphia, if my memory is correct, somewhere around 1,500 or 1,600 people have been gotten jobs through that program, I believe, and I believe that in all of the years of the Area Redevelopment Administration, EDA, we have gotten maybe 120,000 or 150,000 people jobs.

I understand that is an inflated figure, but it is one I have heard fairly recently, and so we are talking maybe now about a capacity to make a dent, dramatic but not really significant, in the face of the millions of presently unemployed persons, both in rural areas and in the urban areas.

I think Philadelphia must have around 100,000 unemployed people, so in the course of 4 years to get 1,500 to 2,000 of them jobs is not really, you know—the approach used is not really adequate to the problem.

This disturbs me very much, that we are not prepared to undertake the job to be done, and the kind of techniques that we have—Reverend Sullivan, as you say, is a dynamo of energy and has given a tremendous amount of devotion and has had a tremendous amount of cooperation and recognition from the OEO and the Labor Department, and yet this is the product in the face of the needs. It is very inadequate.

We heard in Memphis from a Dr. Blackburn with the Board for Fundamental Education, who has been discussing with some industry persons ways in which the private sector can be involved in a massive kind of effort that we have to undertake along with the governmental resources, State, local, and Federal.

And I think, if I am recalling correctly—some of the other Commissioners may recall—he said that if industry could devote about 2 percent of its funds—I guess gross; maybe net capital—in the sense of training programs and so forth, that it itself could make a very massive contribution to the development of these skills among this population which is unskilled and unemployable in that sense, and could, because of the variety of ways the various industries would be involved, provide some models and guidelines and pacesetting for our governmental program and add essentially some efficiency and effectiveness of a kind we don't presently see in our efforts.

Would you comment on those things?

Again, I am very much concerned that we have a very massive problem, and that whereas we have a few dramatic evidences of devotion and effectiveness, they have nowhere approached the kind—they just aren't adequate to the job.

Mr. MURPHY: Let me say this: Unemployment is at the lowest level it has been in some time, so the situation is not worse today than it has been in the past.

Now, that doesn't excuse the present situation. But the question of poverty has been with us a long, long time, and every other country in the world has it to a greater degree then we have.

I would disagree with your statement that just because Dr. Leon Sullivan has only trained 1,500 or 1,600 people means that this is too small, and that we must have a massive approach. Those two things I just said go together. Good things usually start out with small beginnings, and you let them grow like a mushroom.

A massive approach can be so full of faults that it will fall of its own weight, because the public will not—it will just be so full of inefficiencies and so full of bad publicity that it will fall of its own weight.

I would rather take something that is proven, like the Leon Sullivan program, and spread it, than I would to take on some unknown, unproven, massive approach.

Now, as far as industry is concerned, let me say this: 80 percent of the economic enterprise of this country is in private enterprise, approximately; 20 percent in government.

That means 80 percent of the opportunity for solving these problems rests with private enterprise, and I also say that most companies are hunting furiously for employees—educated, trained employees.

Now, is it up to private enterprise to supply the kindergartens, the first, second, third, and fourth grades, up to the eighth grade? Generally, anybody who gets through the eighth grade, and passes it in a qualified way—many places in this country you can get through the eighth grade and you haven't got a third-grade education.

We know this. I don't know how many thousands of people we went through in Sumter, S.C., to find 1,200 who had an equivalent to an eighth-grade education—that could be in Pennsylvania, or New York, or any place.

I think we have got a major upgrading job to do on our basic child and youth education. We have got a job to do of making sure that those kids get a decent education and have some motivation. I think if we could correct that, we would have licked a very high percentage of our problem, for the same reason that I say to you that I have never seen a healthy, educated pauper.

Mr. HENDERSON: I have.

Mr. MURPHY: Today? In the depression, of course.

Mr. HENDERSON: I have seen some today, the good, educated black paupers.

Mr. MURPHY: Send them around, and we'll hire them.

Mr. HENDERSON: Sometimes they are so educated that the jobs offered them don't appeal to them, overeducated for the job opportunities that come.

Mr. MURPHY: You mean a man who is educated and has a Ph.D. in philosophy and wouldn't want to take a job as a foreman in a plant?

Mr. HENDERSON: Not that. I will come back.

Mr. MURPHY: All right.

Mr. GIBSON: Could I ask just a couple more questions?

Mr. BONNEN: We are running short of time. Could we go on?

Mr. GIBSON: He mentioned a major necessity is industrialization, and he gave us some examples how his plant is involved in this thing now. It is easier for me to understand why Campbell's would definitely have the motivation and posture to proceed with this sort of location in these kinds of towns.

On the other hand, the vast part of our industrial complex in this country seems to be attracted to the urban areas where there are concentrations of manpower and so forth and so on, and unless and until the areas that we are discussing have already developed the pools of manpower who are there waiting until the industries come, the industries are not going to come in.

I wonder what your reaction to some sort of a public policy would be that might affect, for instance, the enormous amount of spending—we put $50 or $60 billion a year into defense spending, which goes into American industry.

By far the vast majority of these companies who receive these funds for defense spending are located in these concentrated urban areas that you referred to in the first part of your testimony.

What would be your reaction to a policy that said this money which—this public spending, this defense spending, these billions of dollars which we spend each year should go into the development of the areas which we have discussed, the small towns, to enhance and increase job opportunities much as we now have contract requirements that there must be equal opportunity?

Mr. MURPHY: I think it would be excellent, insofar as practicable, and I don't think there has been enough of this. I think it is crazy to put a defense plant in a crowded urban center. It's crazy. This is because maybe the manager of that plant, his wife wants to be in an urban center, you know, a little thing like this, but I think it ought—it should not be put in crowded communities. It is crazy to think you can only get skilled work forces in the urban places.

This has been exploded time and time again. I would say that the Defense Department ought to spread these into the—spread these and decentralize as much as possible.

Mr. BONNEN: We have time for only two more questions.

Mrs. Caldwell?

Mrs. CALDWELL: You mentioned some of the things industry looks for in a community. What about schools and health facilities? Is this important for an industry in determining a place to locate?

Mr. MURPHY: If the potential work force is good enough, the bigger the potential work force, the lower grade the schools can be, because you can take a smaller percentage, and when we go into a town, we look into the school facilities.

In Paris, Tex., for example, we were extremely critical of the school facilities, but the pool of labor was very great, and we worked with the townspeople and are still working with them. That is also true of Sumter and true of every other place we operate.

We are working with the local community to upgrade the schools, and of course the additional income that goes into the town enables the town to pay better teacher salaries, and I think that industrialization tends to upgrade the educational facilities and educational staff.

But this is not a primary factor to us.

Mr. HENDERSON: Let me ask one quick question.

You said you could have located in several communities in Texas. Why did you select Sumter, and why did you select Paris, if there are any quick points on this?

Mr. MURPHY: We provide our own sewage disposal system. In Sumter, S.C., we found a site—we needed about a thousand acres of land, and we take effluent and put it on land on deep-rooted grasses, and it percolates through the grasses and purifies itself, and in the center there is a fish pond.

Mr. HENDERSON: There was nothing about Sumter?

Mr. MURPHY: We found a natural bowl place that (indicating) was good to put a plant.

In Paris, Tex., there were a few other good sites further down the Brazos Valley, but Paris is better situated——

Mr. HENDERSON: When did you locate in Sumter, if I may ask?

Mr. MURPHY: We have been going there about a year.

The CHAIRMAN (Mr. Bonnen): Mr. Fischer, for a last question.

Mr. FISCHER: Mr. Murphy, would it be possible for you to supply us with the sources of your demographic figures?

Mr. MURPHY: Sure. I will send them in a set.

Mr. FISCHER: I would like to know where they came from, and where they—not that I doubt them.

Mr. MURPHY: We checked them very closely.

The CHAIRMAN: We thank you, sir, for taking time off your busy life to give us a hand.

Our next witness is Mr. Alan Gartner. Is he in the audience?

Mr. Gartner is with the Suffolk County (N.Y.) Department of Economic Opportunity.

We welcome you, sir.

STATEMENT OF ALAN GARTNER

Mr. GARTNER: Thank you. Accompanying me are Mr. Myron Nelson, of Riverhead, N.Y., and the Reverend Ben Burns, of Southhold, N.Y.

I will make a brief presentation, and then we will be available for questions. Of course, it is a pleasure to appear before you, and we believe the existence of this Committee is evidence of the President and the country toward meeting the problems of poverty.

One generally does not think of New York State and Suffolk County in discussing rural America. However, I would like to point out that Suffolk County is the largest agricultural county in New York State, and that its production of potatoes, other fresh vegetables, and poultry makes it a major agricultural area producing over $70 million annually in farm products.

Not only is Suffolk County—which occupies the eastern two-thirds of Long Island—the most productive agricultural county in New York State, it is also the fastest growing county in the State. From a 1950 population of approximately 300,000, the 1960 census showed a population in excess of 600,000, and now in 1967 present estimates indicate a population of just short of 1 million.

Without comprehensive planning we are faced with our entire county being overcome with urban sprawl, our water table polluted by detergents and household wastes, and our seacoast raped of its wetlands by dredging and filling.

The county, which is over 90 miles long and approximately 20 miles wide, is faced with a broad range of poverty problems. Unlike the urban centers with their single grinding, largely minority group, poverty problem or rural Appalachia with its isolated, depressing, many-generation poverty, Suffolk County finds itself faced with several different types of poverty: The urbanlike Negro ghettos in the western part of the county; the growing Spanish-speaking population in several towns; the bulk of the residents of two State Indian reservations; the several thousand migrant farmworkers who spend from 4 to 10 months per year in the county; the seasonally employed farmworkers; and by far the largest single group of poor in the county, the widely dispersed white poor.

Without going into specifics, the problems which our poverty families face are not significantly different than those faced by poverty families elsewhere: Little education, bad health, poor housing, the lack of training opportunities, the inadequacy of public and private services for human needs, the interlocking web of social problems which are both the cause and the further product of the poor's problems, and the resulting lack of opportunities in all areas of American life. These problems are made all the more complicated for the recent in-migrants from the rural South who bring with them the heritage of poverty and the product of racial discrimination.

We find our community ill equipped to deal in a significant and comprehensive fashion with these problems. There are but a few programs, and they are largely ill funded, not terribly well implemented, and largely fragmented.

In broad scope, the problems which we face and the failure of present solutions is a familiar reality to those elsewhere in the country.

Concerns about rural poverty often founder on whether we ought to plan to keep the poor "at home" or to assume that they will migrate from the rural areas into the city; and the second option produces two further program questions, whether we should plan to prepare the people for the sharp shift to urban life or to assume that it is someone else's problem.

We would like to suggest a dual program which seeks to meet the two basic areas: first, the needs of those persons who wish to remain rural residents; and, second, a program to meet the needs of those who are going to migrate to the city.

In both cases, the program needs to be comprehensive both in terms of design and program components, and integrated in terms of direction and funding.

We believe that it is now time to call for a rural counterpart of the "demonstration cities" program.

We believe that it is necessary to bring together the full range of resources including such areas as housing, health, child care, education, legal services, manpower training, and jobs into a single comprehensive, unified funded program. As long as there remain only piecemeal programs, patched together in some amorphous fashion, we will continue to ill serve rural America.

The prime focus of such a program, which is designed to serve both those who remain in rural America and those who will move or have moved to the city, will be in the area of manpower training, both as a means for individual change and community development.

We have too often thought of manpower training in too narrow a focus. Such a training program as here proposed would allow entry for persons with zero skills and zero education, thus avoiding the shocking exclusion by many present programs of those most in need of education and training.

Throughout the period of training and education those with family responsibilities would receive stipends no lower than the present "poverty line."

As persons move from a need for the most basic education into the more direct job training aspect, efforts should be made to integrate. Such patterns as the Nelson-Scheuer programs of the Office of Economic Opportunity and other programs patterned on the concept of "new careers for the poor" should be developed.

Thus, we will begin to move to a situation where jobs have training built into them rather than holding a person from the job until he is totally trained. Special emphasis will be placed upon those job areas in the broad human services field, not only including education, health, and welfare services, but also such areas as beautification and environmental control.

It is clear that expansion of employment opportunities in the human services occupations must be a function of governmental effort, Federal, State, and local. The overwhelming needs in these areas—estimated by Congressman James Scheuer at over 5 million nonprofessional jobs needed now—demand governmental response in the support of programs to provide drastically needed personnel for education, health, child care, counseling, family services, family planning, public safety, recreation, environmental improvement, et cetera.

Thus, the quality of our life as well as the lives of the newly trained and employed will be enhanced.

Also, training in these areas will give to the individual the option—and is not the opportunity to make meaningful choices the very essence of freedom?—of remaining in the rural area or going to the urban area assured of a skill which is transferable.

Intimately connected with this broad-scale manpower program will be such ancillary services as health, legal services, housing, child care, et cetera. To be successful, these services must be an integral part of the basic program.

Let me emphasize a moment two special problems which we face: The problems of low cost housing and the absence of public transportation.

Both these problems "lock in" the rural poor—the lack of transportation because it denies mobility; and housing because, for many of the rural poor, housing and poorly paid farmwork are provided by the employer-landlord and are thus intertwined.

We have, then, a circular absurdity: To improve their housing, they must find other employment; to find other employment is to lose their inadequate shelter. Further, our mandate to provide services for the poor runs afoul of the Farmers Home Administration's insistence upon adequate credit to repay a mortgage.

We urge that in the transportation area serious thought be given to public assistance for transportation as a basic social service.

In housing, steps must be taken to increase the supply of low cost housing. Among program possibilities are a sharp increase in self-help housing programs and the funds to provide the necessary technical assistance and supervision; the introduction of a stipend system to aid the poor to meet down-payment requirements; an end to the requirement that local public housing authorities be established only by cities and towns and permission for the establishment of county housing authorities and the adoption of policy decisions by the Farmers Home Administration to serve the truly poor and congressional funding to implement such a decision.

This new program, which for the present need of a title we can call "for rural America," will be operated in at least two and perhaps three areas.

In rural areas themselves, in such "half-way" places as Suffolk County (half-way in that it is a stopping place for people from the deep South moving toward the heart of the city, as well as half-way in that it itself is in between rural and urban America); and, perhaps, within the city itself.

For the rural area, this type of comprehensive program is necessary if we are to break through the lethargy and inadequacy of present programs, the magnitude of the problems of rural poverty, most importantly because of the urgency of their solution.

For those persons who now live in rural areas, or who have recently lived in such areas, the change to an urban situation is so great, the break in the social fabric so disruptive, and the need for what we may well call acculturation so great, that here, too, we must have a program of broad dimensions and wide scope.

Obviously, there will be variations necessary in the nature of the program for those who remain in the rural area, as opposed to those who are going to migrate to the city and, equally obviously, we should not and indeed cannot "lock-in" any family to a given choice.

However, the broad range of the proposal is the same for both groups: A comprehensive, highly integrated program with its heart being an intensive training program beginning with those totally lacking in training and skills and moving toward broad training, with special emphasis in the human services occupations, during which training period a family maintenance stipend is provided—the training to emphasize flexibility and thus opening and maintaining options for the individuals both in terms of career and geographic location.

We recognize the important area of economic development and believe that recent technological developments in transportation and power resources allow for a new blend of technology, land, and manpower which can aid presently impoverished rural areas.

Further, we need to use public policy decisions—such as location of government contractors, construction of government buildings, and so forth—to effect change in rural poverty areas.

Basic to this program is the concept of community participation. The basic American rural traditions of self-help and neighborliness can be meaningfully applied to a public program which will thus permit individual and community improvement without dependency.

The present established agencies are not, we suggest, the appropriate place for the implementation of such a program. In every case, they share some of the responsibility for the failure of present programs to serve the needs of the rural poor, indeed the poor in general. Further, they are in one way or another too parochial to undertake a program of this broad scope.

Congress in enacting the Economic Opportunity Act of 1964 did here provide an agency with the broadest scope of program services and the most catholic of concerns—the poor and the entire range of their problems.

It is our suggestion that the Office of Economic Opportunity provide that breadth of scope, that freedom, as yet, from hidebound bureaucracy, that spark of innovation which is absolutely essential as an ingredient to make this program "for rural America" a reality.

Thank you.

The CHAIRMAN: Thank you for a very concise statement.

Would you, for those of the Commissioners and others present who don't know the geography of New York State, tell us what the geography of Suffolk County is?

Mr. GARTNER: The Island is about 120 miles long. Moving from west to east, you have Brooklyn, Queens, Nassau County, and then Suffolk County. The western end covers people who commute to New York, about an hour and 15 minutes by train. The eastern end would be familiar to those who are familiar with the rural South. It is very much identical to parts of the rural South.

You have a large number of migrants. Both Reverend Burns and Mr. Nelson are residents of the eastern part of the county.

The CHAIRMAN: Would they care to make any comments at all?

Mr. BURNS: I would like to underscore a couple of things.

We have found that as you move east, which is farther away from New York City, and the Island becomes more rural, the incidence of poverty grows. Whether this is true of the rest of the United States I cannot say, but I know it is true of Suffolk County.

Eleven percent in 1960, the 1960 census, 11 percent of the population in the whole county earned less than $3,000, but in the town of Southold, which is the easternmost town on the north side of the Island, the figure was 21 percent.

There are several things which tend to increase this. One thing is the seasonal aspect of the labor and the low wages paid for the amount of work done.

Another aspect of it, which is vitally important to us, and Mr. Gartner has concerned himself with in part, is the problem of housing. There is not much housing, but where a barn can be converted or a shack occupied, there it will be, and these are available in the eastern end of the county, where they are not so much available in the western areas, so that poverty tends to increase at least in incidence, if not in number, compared to the western part of the county.

I am not only a member of the commission, but I am a member of a local community action group which has tried to work with housing problems. Specifically, we have tried to deal with the problem of transient migrants, seasonal labor.

We have worked with farmers, and we have tried to work within the rather narrow confines of FHA funding, both in terms of grants and loans, and have found it virtually impossible to combine the needs of the farmer as he seeks to provide housing for his labor, and our desire to better the housing of the migrants, seasonal laborers, and farm employees.

We worked out a plan with them in one instance, with a local cooperative, to completely rebuild their migrant camp, the largest one in Suffolk County.

They went so far, working with FHA, they went so far as to develop drawings for rebuilding the camp, and then in the final analysis were turned down on two counts. One, they could not get a grant large enough, and then they were not a nonprofit organization and could not get a grant, grant money, from FHA.

Housing is a tremendous problem in rural poverty. I think—I want to touch for a bit on training, and the problem of training, which was referred to in part by the previous speaker, and to which Mr. Nelson wants to address himself a little bit.

But one of the great tasks is finding people to train others to do something. In our community action program, we have found that there is a need for trained operators for a particular machine. This lockstitch machine is used extensively in the industry, but in order to find somebody to teach others to use this machine, we have had to go to New Jersey, which is over 100 miles, and in that area we have not found somebody who can train people to do the work needed, or asked for, by a man who wants to establish a small factory in the area.

I am sure that other industries could be encouraged if they could be assured that adequate training could take place, or would take place, on-the-job training as well as classroom training, and money available for that training, but the procuring of professional people, procuring of trained staff, is a very significant problem in any training program in the rural area.

I will let Myron talk.

Mr. **Nelson**: I would like to comment on the worker. A man is hired on a potato farm for $75 a week. This consists of from 6:00 in the morning until 6:00 at night, and also he has to be back on Sundays if it is a real hot day, the irrigation pipe has to be moved, he has to move the irrigation pipe, and he isn't paid for that.

Now, the duck farmer. The duck farmer will pay about the same. The man works from 7:00 till 5:00, and on Sundays he has to go back and feed the ducks. If there comes up a storm at night he has to come back and shut up the ducks and get them inside. He isn't paid for that. This is all in the package of $75, or $65 a week.

Also, this causes a hardship, and the laborer is discouraged. He wants to get off the farm, so he finds out that he can go on construction, which would mean there would be travel of, say, 60 or 70 miles west, which would be into the town of Babylon, Freeport, or like that, and he has no money, and so therefore he is willing to get into anything that he can get into to have a roof over his head.

This causes a ghetto. His morale is very low because he just doesn't have the means to support his family.

I want to say, too, that through the OEO and the Suffolk County

Commission we have now—we are now fortunate in the town of Riverhead and the town of Southampton to have a job training program. Now people are able to visit this center and the council has been told what they are qualified for, what better jobs they can get, and things like that, and they are doing a tremendous job, and I feel that anything that can be gotten to help these people in Suffolk County would be a great benefit to all concerned.

Mr. BONNEN: Thank you very much.

I am going to start on the left-hand side. Do you have questions?

Mr. HENDERSON: I have a question.

If I understand you correctly, your major point is that the existing agencies, that is, the established agencies, have not made a dent in the problem of poverty in Suffolk County. Is this correct?

Mr. BURNS: Yes.

Mr. HENDERSON: What is it that you view OEO as doing that shows more success in contrast to what has been done?

Mr. GARTNER: It's less what I view OEO, and more the congressional mandate to do—agencies such as Farmers Home Administration deal with such a narrow portion of the problems that face the rural poor or, on the other hand, the Manpower Training Act of the Department of Labor, again a narrow portion.

There are what we find enormous gaps in trying to serve the needs of a whole family.

Mr. HENDERSON: Let's take the MDTA, for example. Is there another framework in which training can take place that you think will be more effective? Set aside for a moment the question of numbers, which we understand to be inadequate, but what about the concept and the basic programing itself?

Mr. GARTNER: I think the concept has a number of problems with it. One, the general refusal of the Employment Service to come into rural areas with significant training programs. Secondly, the insistence that the training program be solely related to employment needs in the given community, and therefore no recognition of the migration problem.

Thirdly, the absence in most training programs of a means for the man to support his family adequately, to support his family at the same time. If we are going to lure him out, if you will, of the migrant stream or bring him out of poverty, we have got to give him a chance to support his family at the same time.

Mr. BONNEN: Anybody on my right? (No response.)

I would like to underline something. I am interested on the emphasis that you place on housing and transportation, and I might tell you as a college professor with some research into this area, I have discovered that no matter what you do with open-country budgets, doing analyses of the various expenditures, the full range of open-country budget, when you go to the low income range the two significant variables that stand out are these two that stand out in association with the high consumption.

The highest consumption levels are associated with the highest quality housing and transportation. These turn up in the welfare equation.

I am interested to hear your comments. My correlations don't prove anything, but your observations on the causal relationships are interesting.

Mr. **Gartner**: It is a major factor.

Mr. **Bonnen**: In the rural areas, this is a different kind of relationship than you find in the urban areas. The transportation and housing in the urban areas are not as important.

Mr. Fischer?

Mr. **Fischer**: Can you tell us where education is not available——

Mr. **Gartner** (interrupting): I can look at the result as it affects us. We are concerned with the poor rather narrowly defined. For the most part, they are not eligible for the FHA loans. The self-help housing programs that have gone up in many parts of the country, particularly, for example, in California, find that the average income of those that receive FHA loans for self-help housing is above the congressionally mandated level.

What we are doing is at best helping the richest of the poor, and what we are suggesting is some sort of a stipend program with self-help housing to get to the middle group of the poor.

Mr. **Fischer**: Why does FHA make loans to people who are relatively well off?

Mr. **Gartner**: I understand there that it is their interpretation of their mandate regarding mortgage repayment, the price at which they can sell mortgage paper—theirs being a banker-type operation, as opposed to housing being geared to provide housing for poor people.

Mr. **Fischer**: They are operating as a banker? Then why do you need Section 83?

Mr. **Gartner**: I can't answer that question, and I wonder sometimes.

Mr. **Fischer**: The Farm Security Administration was set up to reach people who weren't reached by the other credit agencies. Now it seems to have joined their ranks.

Mr. **Gartner**: Our experience and the experience that was related—a conference on rural poverty indicates that the Farmers Home Administration nearly totally misses serving the poor.

The **Chairman**: Thank you very much, gentlemen. We appreciate you taking your time to make these statements.

The next witness is the Honorable Joseph Y. Resnick, Congressman from the 26th District of New York.

Mr. **Resnick**: Mr. Chairman, first I would like to take this opportunity to thank you and the other members of the Commission for having me here to discuss this very important and timely topic.

STATEMENT OF JOSEPH Y. RESNICK

Mr. **Resnick**: As these hearings have progressed, here and in other cities, you have heard from many experts about the extent of rural poverty, its effects, and its problems.

You have heard estimates that almost half of the poverty in America is in its rural areas. You have heard that rural housing is the worst in the nation; that rural education and rural opportunities are the worst in the country; that rural intellectual and cultural opportunities are far worse than those offered in urban areas; and that, in general, the quality of rural life lags far behind that of urban life.

Even the lowest levels of urban living are measurably better than the lowest levels of rural existence.

We know these problems are present and that they have existed for a long time. But, while we have made efforts to develop programs to help all the poor, only about 15 percent—to cite an example—of the funds expended in the OEO's community action program goes into rural areas. Too many Federal programs tend to stop at the city limits.

There are reasons for this. The experts needed to qualify for these programs are generally available only in city governments. The technical studies can quickly be done by city staffs.

Small communities and rural areas are thus shut out, by virtue of insufficient manpower and funds, from obtaining a meaningful review of their projects by development agencies. Rural projects are also smaller and thus cannot command the importance of big urban requests and applications.

But the biggest reason seems to be a universal refusal to face up to the unique problems of the rural areas, and we have very clear evidence of this. Last year the Department of Agriculture introduced a bill to provide a modest amount of planning funds for the establishment of rural community development districts.

This was really no more than the rural counterpart of similar programs that have existed for years for the cities. But when the time came to stand up and be counted, the bill was defeated, largely because this was one of the few bills we see in Congress that was opposed by just about every important group—the Chamber of Commerce, the labor unions, and the Farm Bureau.

Another determined effort in this direction was made with the establishment of the Rural Community Development Service, an agency within the Department of Agriculture, whose purpose it was to promote the interests of our rural areas and to coordinate the efforts of all Government departments toward this end.

However, the RCDS has been virtually choked out of existence by lack of funds—one more example of how America's rural areas are being shortchanged.

However, we are now coming to realize that if we don't act now, it will be too late. Our cities are dangerously overcrowded and becoming more so every day, and our rural areas are threatened with virtual abandonment.

I believe these problems have one root cause—lack of economic opportunity. The rural areas are not able to hold onto their young, their most capable, or their most ambitious, and they lose people, these people, to areas which can provide—or at least seem to promise—economic opportunities—the cities, the urban areas.

Unfortunately, the people who are most likely to migrate to the cities are precisely those that rural areas urgently need. And when these people leave the farms, we all suffer.

One way to reverse this trend and to rebuild a vital rural society in America is to improve economic opportunities in rural areas. Where there is economic opportunity, there is industry, and available jobs; and where jobs are available, there are working people, tax revenues, homes, better schools, better community services and better cultural environment.

It is my belief that ultimately the problems of our rural areas would be on the way toward solution, if not automatically, then at least gradually—after a large wage-earning population has been developed.

The most acute problem is the lack of available credit and financing for industries desirous of locating in rural areas. A General Motors or an E. I. duPont would not have much trouble setting up a plant in a rural area. But a small or middle-sized business would be hard put to find necessary credit and financing—and an individual seeking to start a business in a rural area might almost forget the whole idea!

Rural banks are by nature too conservative—and very often simply too small—to finance these businesses and the majority of Federal programs are geared toward urban enterprise.

What is needed in rural areas is a massive dose of assistance—financing specifically intended for industries and resorts that wish to locate in rural areas. This is not a need that is unknown or unrecognized.

In fact, Secretary of Agriculture Freeman made a speech on this subject only 2 weeks ago. He is to be commended for his understanding and sympathy for this problem. But we must give him, and the nation, the tools to do the job. It is not enough to recognize the problem. We must provide means for accomplishing the ends that we want to reach.

Last year, I introduced a bill which I called the Rural Renaissance Bill, which would authorize the Secretary of Agriculture, working through the Farmers Home Administration, to participate with State and local interests in the financing of business and industrial and resort concerns, as well as other recommended enterprises in rural areas.

This year I am introducing an expanded version of this bill, which I am calling the Rural Opportunities Bill. I am hoping that this legislation will wake up rural areas and help them obtain a slice of the pie that all the rest of the country is getting.

Basically, my bill provides for the granting of low interest, long-term loans through the Farmers Home Administration to industrial establishments and recreational enterprises, resort enterprises, commercial enterprises, who wish to locate in rural areas.

It would establish a revolving fund of $300 million to be loaned to these facilities as a supplement to any other Federal assistance available to the applicants; fast tax write-offs for such firms is another feature of the bill.

One of the major goals of the Rural Opportunities Bill is the alleviation of an actual problem of the cities—overcrowding. Our cities are overcrowded because of the mass influx of people from rural areas, people who are ill educated, ill trained, and ill suited to city life and crowded city conditions.

And the saddest part of the story is that many of these people come to the cities, not because they relish city life, but because there is nothing else for them at home.

Just this week, the New York Times featured a front page story about cutbacks in employment for cotton farmworkers. Increased mechanization has forced these people out of work, and while the workers do not want to leave their homes, there is nothing else for them to do.

Their choice is either to starve or to try their luck elsewhere. And elsewhere is usually the city, where, as we know, most are doomed to poverty and bitter disappointment.

If this program is successful enough, we can not only stem the flow of people, but we might even actually be able to reverse the trend. I can quote from my own personal experience.

About 20 years ago I established a factory just outside a tiny resort community in upstate New York, about 100 miles north of New York City, in my hometown of Ellenville. Providence smiled on this enterprise and as it grew we found that not only were we putting local people to work, but we were attracting people from New York City and other cities many miles away. The permanent population of the rural area in the vicinity of the plant has grown.

We are not giving enough attention to the training and retraining of displaced farmworkers. Considering the rate at which farmworkers are being forced off the farm into an industrial environment, we simply are not doing what has to be done in order to retrain them for the kind of jobs that are available. It is ironic that in many areas side by side with the vacancies for trained mechanics, machinists, and other skilled and semiskilled trades, exist large pools of unemployed men and women living on welfare, who cannot find jobs because they lack the necessary skills.

It is about time we started playing the "dating game," and match up our jobs and our people.

Because of the overriding importance of our rural problems, I respectfully suggest to the Secretary of Agriculture that he establish an Assistant Secretary who would be solely and exclusively concerned with rural development. In this way we would help give this matter the attention it deserves.

These ideas are not a cure-all—but they will be a beginning. We have learned that the "ostrich approach" does not work. If we ignore our problems, they do not go away. They just get bigger and more expensive.

There are other, interrelated problems which face our rural poor. For example, these people have no political base. They have no one to turn to when they are faced with problems.

As chairman of the rural development subcommittee of the House Agriculture Committee, I believe these problems are the prime concern of this subcommittee. This subcommittee wants to do everything it can to help. It will serve as an open door to officials and organizations who need help and do not know where to turn.

If we are to best utilize the resources of our countryside, we must do something soon. And our most valuable resource, people, can only be put to use if we start now to make life in rural America meaningful and rewarding.

I consider that the proposals I have made will help revitalize rural America and thereby stem the flow of people and resources to the cities. Our rural areas will then return to their traditional place as a prosperous segment in the American economy, and will thus benefit the entire nation.

The CHAIRMAN (Mr. Stanley): Thank you very much, Mr. Resnick. We deeply appreciate your taking time out of what we know is a terribly heavy schedule to come down and talk to the Commission about these important matters.

There seems to be a lot of interesting material in the statement you have made, and Mr. King wants to inquire, if you don't mind.

Mr. KING: I apologize for coming in late. We were over at the White House and we had to get our dinner on the run.

I was interested in your statement of establishing an Assistant Secretary of Agriculture. Had you elaborated on that in the early part of your remarks before I got to the table here?

Mr. RESNICK: No. We now have, as you know, as Assistant Secretary for Rural Development and Conservation, George Baker, but if you look at the table of organization of the Agriculture Department, you find that by and large that is a misnomer. There are many, many functions he has to supervise, the Farmers Home Administration, Soil Conservation, and all sorts of other things.

My hope would be that we would have an Assistant Secretary who would have only the job of revitalizing, building up, the rural areas. I think we are all aware that while we have large rural areas, very few of the people who live in these rural areas make a living from the farm any more, and so it is not really a farming problem, it is not really an agricultural problem.

We need someone who would be in a position to ride herd on all the other agencies. The SBA is one of them, for example.

Mr. KING: I'm sure you know they have, in a pilot effort now, of coordinating, under the Secretary himself, all the Federal agencies, whether it be HUD, and I think I should like to draw out for the record, you would like to make a recommendation that an Assistant Secretary of Agriculture would make that his one job of serving rural and poor America, and I think it's a very excellent suggestion, and I would like to have you say that.

Mr. RESNICK: Yes, that is exactly what I am saying, and the administrator of that program, Mr. Burkett, would be here, I am sure, to testify. Unfortunately, he was ill, and is just recovering now from a very serious illness.

But this, basically—if he could be raised to the Assistant Secretary level, to give it the importance that it needs, one of the problems that I tried to bring out in my statement briefly is that I know from my own experience that the small communities that I represent simply don't know how to get involved in the Federal programs, whether it is HUD, or SBA, or OEO.

We don't have the people, we don't have the know-how.

I do the best I can as Congressman of the District to let them know what programs are available, but that can be a full-time job in itself.

Mr. KING: I think that's a very excellent suggestion for our testimony.

Mr. RESNICK: Thank you. I feel very strongly—as I pointed out, again, if I may go back briefly; it's in the statement—that what happens is that rural America gets shortchanged. There is no question about it. In legislation—we had the rural community development, which would give planning money. It was a voluntary program.

It would give planning money so that one or two or three counties could get together and plan jointly for the facilities that they need.

Well, it never got to the floor of Congress. As I pointed out, I think it is the only bill I have ever seen in Congress—I haven't been there that long—but the U.S. Chamber of Commerce ganged up on it, and the labor unions, and the Farm Bureau, and I believe that was the first time that those three organizations were ever all against one piece of legislation. (Laughter.)

This is the problem that we face.

The **Chairman**: Why were they against it?

Mr. **Resnick**: Well, the Chamber of Commerce, from what I gather, simply didn't understand it. They claimed that it was a power grab by the Secretary of Agriculture, that the Secretary of Agriculture, you know, was going to kind of wipe out county lines and set up urban renewal and development and that sort of thing, and it was the Federal Government moving in.

The unions were against it because they felt that this would lead to piracy, that this would lead to factories being brought out into rural areas which are basically nonunion.

The Farm Bureau was against it because they are against everything. (Laughter.)

Mr. **King**: That was very eloquently put.

Mr. **Rudder**: I was late, too, in getting back, and I apologize. But apparently you are going to industrialize the countryside, your plan to solve this problem, and I don't find any fault with this.

But on the other hand, what are you doing for the agriculturists themselves? Of course, a lot of people say you are already subsidizing these above and beyond, but if you will get out and farm a little and get the investment that you have today, you have to have somewhere between $100,000 and $200,000 invested.

In my opinion, something in the farming area itself must go along, because if you allow your small farmer to do a little farming and give a little economic help to him while he does the job—I have seen this done.

Mr. **Resnick**: Yes, I agree with you. First, I feel that the large farmer, the commercial farmer, the man who does have the $100,000 or $200,000 investment, I do not think he would qualify as rural poor. He has some problems, as every farmer does, as you all do, but he does not qualify as the rural poor.

But the problem is, as farms are mechanized and as the use of fertilizer and equipment increases, only the best land is utilized, so that the farmer with 80 acres of hillside land and rocks, he cannot compete any more. He couldn't, even if he was willing to work for nothing.

He still cannot make a living on those 80 acres that he could 10 years ago or 20 years ago, and I might add that I know whereof I speak, because my father had a farm like that, 80 acres of hills and rocks, and we could make a living from it 20 years ago. You can't do that any more.

And so this farmer has a choice of either leaving the area and going to the city where he doesn't have the skill or the temperament or anything else, or staying there and staying on welfare and, you know, live the life of degradation and no self-respect.

When industry comes into an area—again it is in my testimony—we know from experience, personal experience; in my home town I started a company. It is called Channel Master Corporation. We manufacture TV antennas and so forth. We employ a thousand people there now. We have many people who maintain small farms and work for us.

We have many people, because the son or daughter or the wife is working at Channel Master, they can maintain their farm, they can maintain their home in the country, where the father is working his farm.

So that this is the binding force to the rural area. I feel very strongly that—it is the source of income.

One of the other points that I try to make, and I think it is a very important point—I am trying to keep my statement as brief as possible—but we have also seen the effects of resorts and recreational facilities in doing this exact same thing, of keeping a community together, a rural area together.

Fishing preserves, hunting preserves, game preserves, ski slopes, golf clubs, resorts of the type that you require today, with swimming pools, and so on. It used to be a man could convert a farmhouse and be in the resort business. Well, he cannot do that any more. That day is gone, because it is too cheap to fly to Florida.

This is a very important part, because more and more people living in the cities want to get back to the country. They want to go to resorts. They want to get out of the cities.

One of the features of my bill, I might add, and I think it is very important, I propose that the loan limit be $4.5 million, and the reason that I put such a high limit on it is so we can get meaningful concerns there so that we won't have to depend only on small and medium-sized businesses. So someone can go in there and put in a decent-sized plant which would hire a couple of hundred people, and that sort of thing, so that we could really——

Mr. RUDDER (interrupting): What do you propose to do to help this fellow buy this 60 acres or 10 acres in the country as a home so he can stay there, because the family grows up, and the 80 acres he had is divided——

Mr. RESNICK (interrupting): There is money available for that now. The Farmers Home Administration is doing an admirable job of helping the farmers who want to stay on the land.

Last fall, I had the honor and privilege of accompanying Secretary Freeman on a tour through the district, and we visited places where a guy worked from scratch and worked hard, and through FHA was able to get a herd and a home and got 200 or 300 acres of pastureland, so he was what you would call a commercial farmer.

So I think that aspect of it is being handled very well. The part that isn't being handled is the fellow who is off the 80 acres, and for one reason or another he had not been able to get back into farming.

This is the man that is in trouble, and this is the man who would come to work in our factories if we could get them out there.

The CHAIRMAN: Mr. Gibson?

Mr. GIBSON: Mr. Congressman, I am not by any means in the Chamber of Commerce or a representative of it, but as you have talked, I have been curious why this type of nonagricultural development that you have envisioned being done within the Department of Agriculture, rather than an Economic Development Administration context——

Mr. RESNICK (interrupting): Well, the Economic Development Association was set up for distressed areas. Which is good. I have no problem with that, either. The problem is that some counties virtually slipped into oblivion.

You might say they are depressed, and they don't know they are depressed. They are virtually extinct. Nothing happens.

Again I speak from personal experience. The 26th District of New York comprises five counties, Ulster, Columbia, Greene, Schoharie, and Dutchess. Dutchess is one of the fastest growing counties —it is a boom area—because IBM is settled there.

As a matter of fact, my district has more IBM production workers than any other district in the country. Land values are going up, unemployment is virtually nonexistent, and so forth.

Ulster County, where my plant is, and where we have resort industry, is another boom area, and it is growing. Northern Ulster, where we do not have it, is becoming deserted. Communities that flourished 20 years ago are boarded up.

We go north from there into Greene County and Schoharie County, and these two counties are officially classified as depressed counties, and are available for economic aid. These counties just can't get going again. They could if money were available to them for the type of industry and resort as I described—ski resorts and that sort of thing.

Again, unfortunately, because you might say the ambitious and the young have left these places, they find it very difficult to get started. They find it very difficult to take advantage of the programs that are there.

They come to me and say, "Well, how can we get a factory here?" I tell them how. They have to build one. If you build a factory, people usually come in and fill it up if the rent is right.

They can't get the money together to build the factory, and they go slowly downward.

Schoharie County, I might add, had more people living in it during the Civil War than it does today, and this is only half an hour from Albany, N. Y., which is again a growing metropolis. They have got less people there today, it has the highest unemployment rate, the highest illiteracy rate, the lowest per capita, per family income, in New York State, and so on.

So there is why I feel that if we could blanket counties like these and provide the capital so that we could get industry, so that we could get resort entrepreneurs into areas such as that, we could rebuild these areas and get people to stay.

The Chairman: Thank you very much, Mr. Congressman. Again, let me say we appreciate your coming down.

Mr. Resnick: Thank you very much.

The Chairman: Mr. Robert E. Simon, please.

STATEMENT OF ROBERT E. SIMON

Mr. Simon: I am here as president of Reston, Va., Inc., developers of the new town of Reston, which is located about 18 miles west of Washington, D.C., in Fairfax County, Va.

The Chairman: Before you begin, let me extend our apologies for keeping you waiting. We are appreciative of your coming. You were to testify at 12 noon. The White House sort of interfered with those plans, but we are glad you stayed around. We are interested in hearing what you say.

Mr. **Simon**: It wasn't so bad. I thought I was rescheduled for 2:30, so it has been only an hour, and it has been an interesting one for me.

First, let me define what we at Reston mean by a new town. It is a planned community with an economic base of its own, where people may both live and work, which offers a variety of housing suited to the needs and incomes of all who work there, and contains educational, recreational, and community facilities as an integral part of the community development from the beginning.

The kind of community we are building is directly related to and part of the overall plan for the Washington metropolitan area. It is quite possible, however, that the planning principles under which Reston is being developed are applicable both to the creation of wholly new communities not related to a large metropolitan area and the large older central cities which serve as the urban core of our metropolitan areas.

There is a difference, however, between building a satellite community in a metropolitan area and building a new city in the more rural areas. The first consideration is size.

A large number of people are required to support the social, educational, and cultural institutions necessary for a modern community. Most of the new towns under development in this country today are preparing for populations in the 50,000 to 100,000 range.

Larger populations for these satellite new towns are not required only because these towns will be part of highly populated metropolitan areas and can thus share many of the expensive and unique facilities already in these urban areas. These facilities range, in the case of Reston, from a mass transit system to the National Gallery of Art, from an interceptor sewage system to five universities.

New towns constructed in rural areas would require much larger populations in order to support the educational, cultural, and social institutions modern Americans expect of their communities.

It is difficult to set a pat figure for what the population of a new town in a rural area should be, but I would suggest that 250,000 people is a minimum.

Assuming that 250,000 people is a feasible number of people around which to plan the new community, the second consideration is the economic base for the community—the provision of jobs.

Enough employment must be available in the community to support the entire population. Whereas in the satellite community enough industry must locate in the town to provide an economic base for the development, it is unlikely that all the people who live in the town will work there, or vice versa, though we assume a large percentage of the people will choose to do both. In a rural area, employment opportunities will have to exist for all those who wish to live in the new town.

Additionally, manpower retraining, the education for new skills for new jobs, will also be much more important in order to enable the people coming to the new town to work in the new industries established there.

While employment in the service industries is rising at a more rapid rate than in manufacturing industries, it seems doubtful to me, except in very unusual cases, that service industries can provide the jobs that will be needed for a whole community. A mix of industries at the outset would also ensure that the community did not become a company town.

In my definition of a new town, I noted that the community facilities must be developed from the outset. There are two basic reasons for this.

First, I believe that the facilities in a community are at least as important, and perhaps more important, than the housing—and this, incidentally, applies to communities new and old. Second, the introduction of facilities at an early stage of development is a dynamic influence on the community which permits the residents themselves to participate in the later planning of additional facilities, and to give shape and definition to the kind of community they want.

Reston has already shown that, given appropriate facilities, the residents of a community will develop institutions and programs for their use. The inclusion of a multipurpose auditorium in our pilot project, for example, led to the founding of a drama group, a chorale, a children's choir, and many other institutions which have made continual use of the hall.

These institutions may not have developed at all were the auditorium omitted from the planning, or they may have come into being only after many years.

The Riis houses in New York City illustrate the same principle applied in a culturally deprived area. An amphitheater included in that low income project receives constant use. Had it not been included in the planning, many of the residents who presently enjoy its active use might be spending their leisure time passively watching their television sets or otherwise wasting their time.

Americans have more time to spend as they like than ever before. This increased free time is often called a problem. Some housewives complain of boredom because they have nothing to do when they finish the day's chores.

Some husbands spend their evenings in bars because no other social institutions serve their neighborhood. Some teenagers get into trouble because making mischief seems more interesting than doing nothing. Of course, none of this would apply to anybody who is on the farm, but it would start to apply as soon as he moved to the city.

But free time also represents a great opportunity. For the housewife, it can mean time to continue her education. For the husband, it can mean time to bring out an old trombone and join an amateur jazz band. For the teenager, it can mean time for active participation in sports.

The difference between free time as a problem and free time as an opportunity depends on the availability of opportunity-creating facilities. And anticipating what facilities are needed is a matter of social planning.

This does not mean telling people how to spend their time, but rather providing a multitude of facilities, social institutions and programs to make possible interesting and worthwhile alternatives for the use of leisure time.

What kind of institutions and programs? Institutions and programs which are designed to meet the social and intellectual needs of modern urban residents—educational, health and welfare, and cultural programs which people want in a modern city.

The use of community facilities illustrates and reinforces the view that the individual must be the basic planning module of any community, regardless of whether it is new or old, in or out of a major metropolitan area.

It is easier than it may appear to lose sight of the fact that we are planning for people, and that the individual human being in his dignity is the focal point for all that is done. It is worth noting that at the same time we must be careful to avoid confusing the planning of a community with the planning of people's lives.

When we speak of community planning, we are speaking of the rational use of the land, of our economic and social resources, of the intelligent use of our skills and talents. We are not talking about planning anyone's way of living. The objective is a community where opportunities and options abound and individual choice is paramount.

Variety and choice have historically been the hallmarks of the city, and of democracy. The American new town is an attempt to combine the assets of the city and a democratic society in an environment specifically planning to make the most of those advantages.

The object of the exercise is to foster individuality and provide a setting where creativity can flourish, and people can enjoy a fuller and a richer life. We have failed to do this very successfully in either our small or large towns, and now it seems to me that we have little time and little choice but to go about the job of doing it.

The experience of Reston to date will, I believe, be instructive in this regard, and I would like to take a moment to recount it. I wonder if perhaps I shouldn't abbreviate this, because you are running late. I am trying to do it now, and I am screwing myself up.

The CHAIRMAN: Use your own judgment. I'm sure the Commission will appreciate that. You will have a full statement to file, will you not?

Mr. SIMON: Yes.

The CHAIRMAN: Whatever you can do that is most convenient.

Mr. SIMON: What I do here, and I can leave it with you, is, I describe what goes on at Reston, and what goes on today. We have 1,500 people living there. At the moment we have 700 or 800 people working there, and by June we will have about 1,600 people working there, so that our employment base is well ahead of our housing base, which is important to us at Reston, but would be even more important, as I said earlier, in the statement, for a new town out in a rural area.

We do have quite a good deal of interest in the things of nature which would undoubtedly be more in a rural new town than in an urban new town, but we do have garden plots, and they are rented by people who like to do their gardening.

We have a group that works in the forests on a volunteer basis. Our idea, long range, is that the bulk of the work that is done by the park department will be done on a volunteer basis by citizens who would be frustrated if they didn't have a chance to do it, under the direction of a paid staff which will then be instructors rather than doers, and incidentally, I suggested this as an idea for New York City, as an idea of making the parks of New York more meaningful to New York City.

It is absolutely astonishing at Reston to see the extent that people are doing things that they may never have done before simply because the opportunity is there. That is why I think facilities are so very important.

When we had 400 people there, 100 of them joined a theatrical group and put on a musical comedy, for instance.

I talk here about the use of cluster housing, and this has to do with design within a new town. I believe that the most important new planning tool, which is really extremely old—it dates back, for all I know, to ancient times, but certainly in the Middle Ages, where there was cluster housing in the communities with farms out in the periphery. And if cluster housing is used instead of the grid system in new towns, this creates a lot more open space which can be used for recreation and other purposes.

Then I talk a little bit about the importance of architecture. I call it the icing on the cake. I don't think architecture comes first, but I don't think it should be ignored, and certainly variety is extremely important. A homogeneous feeling destroys the sense of individuality, and is really against the individual, it runs counter to the individual.

So, let's see, I will read the end of it here. The social institutions that can be developed in a new town can make a more important contribution to a civilized community in the long run than the style or kind of architecture. As I see it, the basic ingredients for a successful new town development are:

(1) A sound comprehensive plan;

(2) A strong economic base;

(3) A variety of community facilities—and particularly in the case of a rural new town, educational institutions designed to retrain farmworkers to work and live in an urban setting;

(4) Innovations in the creation of new social institutions;

(5) A very large capital investment which must be supported by outside agencies such as government, business, and foundations for the community to provide housing facilities and jobs for all people in all income groups.

For the development of new towns to be an effective part of a program for improving the condition of life for people in rural America, then, active government involvement is essential.

We are all aware that the success of the British new towns is in part at least the result of the British Government's industrial allocations policies. Obviously, I believe that the new town has something better to offer many Americans than we have achieved to date.

I also believe that the planning principles being utilized at Reston are relevant wherever we deal with urban communities. It seems to me impossible, however, to generalize about the applicability of the new towns to our poorer rural regions without knowing specifically and in detail the facts, commitments, and public policies which will govern such developments.

I have left out of my list the most important ingredient of all, of course—the land.

Urban development in the last generation in the United States has consisted mostly of sprawl because we have been gobbling up the land and developing it in little pieces—here a subdivision, there a gas station; here a regional shopping center in a sea of parked cars, there a so-called garden apartment.

At the same time, the governmental jurisdictions where these sprawling growths take place have been left to foot the bills for the schools, the roads, the sewage systems, and the community facilities which make them possible. The small entrepreneur has flourished at the expense of the general taxpayer and of business, for while his piece of land increases in value as development spreads, that increment of value which he gains, frequently as a result of the governmental act of rezoning, is not returned to or shared with the public. He moves on when his subdivision is completed, leaving the people and the government the expense of making some kind of community out of it.

Rational urban development, and especially in parcels the size required for whole new communities, requires the acquisition of large amounts of land. This is expensive, beyond the means of all but the very largest developers and corporations, and difficult for them as land continues to be fragmented by small holdings.

It seems to me, therefore, that if we are to engage in a program of new town building in rural areas the highest priority is the selection of appropriate sites and the immediate acquisition of the land.

By acquiring land reserves now it will still be possible to assemble cohesive tracts. And the increment of value which accrues from the dedication to more intensive land use will be returned to the community for the provision of community facilities. There are a number of ways to do this—the government has done it with urban renewal, we have had land bank programs, public-private corporations have been created for Comsat, for transit programs, for housing—but the way it is done is less important than the fact that it be done.

For even the desirable land beyond the suburbs will become increasingly difficult and increasingly expensive to accumulate in tracts large enough for a new town development. And acquiring it later in development rather than earlier means the loss of the increment of value so important to the later development facilities.

There is nothing to prevent local or State bodies from accumulating these land reserves—we do it for open space, for scenic easements, for example—from acting as planner, and then wholesaling it, so to speak, to developers at the appropriate time, just as we do with urban renewal.

The increased value of the land between the time it is purchased and the time it is turned over for private development will then go to the planning authority or government rather than to the developer, who will still make his own profit, of course. But the authority or government will then have a base on which to build community facilities.

This time sequence and process will also, in my opinion, make it easier to attract the industry without which the project cannot be accomplished. It seems to me very unlikely that the government will embark on a policy of industrial allocation such as is done in Britain to insure the success of the new town developments. Industry must, therefore, be induced to come to the area by the advantages inherent in the plan and the availability of community facilities.

It is anticipated that by the year 2000 some 280 million Americans will be living in urban areas. This is a trend that is I assume irreversible. And tales of the giant megalopolises stretching from Boston to Richmond, from Chicago to Detroit, from Santa Barbara to the Mexican border are familiar to all of us.

Yet, I believe that there are a great many Americans who prefer to live in smaller cities, indeed in villages within smaller cities, and that if we plan properly and build them we may be surprised at how popular and successful they will be. The choice should be there for those who want it, and it is less and less available today.

Certainly there is no reason why rural people who do not wish to live in huge urban centers, are not culturally prepared for what they find there, and do not have the requisite skills to make a decent living there should be forced through lack of alternatives to migrate to the big cities. This is wasteful and tragic, and not necessary.

We can build better communities everywhere in America if we really want to, and it is encouraging to me that this Commission is taking the first steps to make sure that our rural areas are not left behind.

The **CHAIRMAN**: Thank you very much, Mr. Simon, for a thought-provoking presentation.

I have read, of course, about Reston, for some time, in the newspaper, and I have wanted to visit. I look forward to doing it some time in the future.

Mr. **SIMON**: Let me know when you plan to come.

The **CHAIRMAN**: I think the concept is certainly there, and the contribution that it can make, for that type of facility, can make in rural areas couldn't be measured.

Do any members of the Commission wish to inquire?

Mr. Gibson?

Mr. **GIBSON**: Mr. Simon, I wonder whether you think it would indeed be so unfeasible to have stipulations that we had earlier when we were discussing with one of the gentlemen: I had suggested that with all the money we spend on defense contracts per year, and as we now say you must have equal employment opportunity programs, you must hire minorities and so forth, could we say, if X State or district has gotten land together, and wants to build a new town, couldn't we have legislation that says defense contracts will go to this area, and so forth?

Does that seem to be so way out to you, that we could hook the giving of a building contract, or the giving of a $100 million contract to this sort of thing?

Mr. SIMON: Well, I will say in 1961 a Presidential directive was issued, and it said specifically that where a Government agency is to be located in the Washington metropolitan area and not in the District of Columbia, it will be located as close as possible to the town center of the new towns.

Now, this was a direct attempt of President Kennedy to try the implementation of the Year 2000 plan and to foster the new towns within that plan.

We found in our relationships in arriving at the Geological Survey buying a site in Reston that this particular Presidential directive had very little bearing, and in the location of other agencies in the area in the past years it hasn't had any bearing.

I am not suggesting that I am qualified to have an opinion, but what I will say is that I can see a directive, or I can see even legislation, but the implementation is the real trick.

Mr. GIBSON: I have one more, if I may, and then I will quit.

The CHAIRMAN: All right.

Mr. GIBSON: You mentioned planning, the very great importance of planning, and since we're talking about areas and we're trying to probe the usefulness, the feasibility of new towns for areas, many of which are now in existence, is this the thing that can work around an existing town, or does it have to be completely virgin territory?

Mr. SIMON: Well, in England, almost every new town starts with the nucleus of an existing town, and this has been done very successfully there, and in some instances not quite so successfully, but I certainly do believe this is a pattern. You don't have to start with something absolutely virgin.

The CHAIRMAN: Mr. Brooks?

Mr. BROOKS: Two questions: What kind of employment do you have? What kind of jobs did you develop from the people, and then where did you get the money with which to develop this?

Mr. SIMON: I didn't mean to say we developed jobs so much as we found employers who were willing to bring their plants to Reston. In our case, because of the nature of our location, what we have been trying to find is quiet industry and smokeless industry, research-type industry, and this is what we have.

Mr. BROOKS: You went out and obtained industry, got them to come into Reston?

Mr. SIMON: That's right.

Mr. BROOKS: Who financed Reston? Where did you get your resources to put in there?

Mr. SIMON: Well, I started off with a corporation that had some assets and found bank financing, and then Gulf Oil Corporation come in with an investment of $15 million; subsequently, John Hancock came through with an investment of $20 million.

Mr. BROOKS: It was all private capital, then.

Mr. SIMON: Yes.

The CHAIRMAN: Mr. Gallegos?

Mr. GALLEGOS: What percent of the people in Reston are former farmworkers and families who have been retrained? What chance is there to retrain farmers and bring them in as residents, rather than see new towns developed, and having people who live in the cities decide it is more desirable to live in a new town area, and in effect we are shifting skilled labor from one part of the country to the other?

You mentioned something about retraining the farmworkers.

Mr. SIMON: My thoughts on a rural new town were not based on experience. This is a very urban new town. I doubt we have anybody in Reston who came directly from a farm. We have some blue collar workers; not many.

Mr. GALLEGOS: Is there a place in Reston for the low wage workers and the unskilled workers, or are they setting up new towns of their own, 20 miles away?

Mr. SIMON: This is a very important part of our plan, and at the moment we are getting ready to build a 221(d)(3). It goes to the top of the lower third, I guess.

These are garden apartments, and we have received a grant from HUD and are working with it now to try to develop lowest cost housing by working with the mobile home industry, for sale or for rent.

Certainly we hope to be able to house anybody in Reston who works there.

The CHAIRMAN: Dr. Ford?

Mr. FORD: Mr. Simon, I realize you have cleared yourself in advance about making undue generalizations, but with that, I would still like to ask your opinion in the poverty area with which I am most familiar, the Appalachian Region.

I know that a number of people have put forth the idea of new towns as one of the possible solutions to this.

Now, there we have a number of problems that are involved in the low skills of the people, the difficulty in securing sites. I mean securing plant sites. We have plenty of land, but there are difficulties in securing plant sites, and there is the feeling of some that these particular difficulties can be overcome; others point out that there isn't the kind of economic base available, and which you have stressed rather strongly, for the development of industry.

Do you think that this offers a feasible type of solution for areas such as Appalachia, the Ozarks, and places like that?

Mr. SIMON: I would think that the employment base is the key to it. A new town without an employment base is a dormitory, and I know that there is a theory current that there can be whole cities with no industry at all. I mentioned that earlier, just services industry. But I can't conceive of this, so that I would think that the nucleus would have to be employment of one sort or another, and it could be a succession of little nuclei. It does not have to be one. The sequence of events, I would think, would be employment first and then housing after the commitment to bring employment into the area has been made; then building the housing so that the two come in at the same time.

Mr. **FORD**: You suggest some sort of critical population size that is necessary to support the institutions that a community would have. This seemed to be rather large for the rural communities.

Mr. **SIMON**: Well, my thought about that was this: What I was dealing with was an ideal, and therefore, if there were a plan to start a new town in a rural area, I think it should be a plan for 250,000. It might take 20 or 30 or 40 years to get there, but when you have reached this number—it's not a magic number, but it is a field number—you can then have the kind of medical specialties, for instance, that you couldn't have in a community of 50,000 or 100,000, if you want to cover the medical specialties.

That might be the crucial point—educational facilities. A 50,000 population cannot command the kind of faculty that you would want in a community. So that I didn't mean to imply that it had to be 250,000 or nothing, but just that the plan for one should be.

You might be interested to know that the regional plan in New York is now proposing million-population cities, 8 or 10 of them within the metropolitan region, new, starting from scratch. I'm not sure that's the right number, and I don't say it is the wrong number for the New York region, but if we are dealing with any place except New York, I don't think there is a reason to push the plan up that high, but I think there is something to getting over 100,000.

The **CHAIRMAN**: Any questions on my left? (No response.)

The **CHAIRMAN**: Thank you again, Mr. Simon, very much.

The Reverend Larold Schulz is next. We welcome you, and thank you for waiting. We are running overtime today, as we noted.

Mr. Schulz is from New York City. He represents the National Council of Churches of Christ, and we are very pleased that you accepted our invitation to be here.

STATEMENT OF LAROLD K. SCHULZ

Mr. **SCHULZ**: Thank you very much, Mr. Chairman. I appreciate this opportunity to speak of our concerns. Let me say that the statement I read is, hopefully, short, concise, and doesn't begin to go into the issues which we are concerned about, and I would hope there would be a period in which we could get at some of these issues by questioning.

I just raise some of the questions where we have had involvements, so that the Commission would know about this type of concern.

My name is Larold K. Schulz. I am a minister of the United Church of Christ and serve as the executive coordinator of the Anti-Poverty Task Force of the National Council of Churches.

I appear before you today in behalf of the National Council of the Churches of Christ in the U.S.A. The National Council of Churches consists of 33 Protestant and Orthodox Communions. These bodies include a total membership exceeding 40 million persons. We do not claim to speak for each member communion individually nor for all the members in the communions which are affiliated with the council.

The viewpoints, statements, and positions expressed in this statement are based on official policy statements of the National Council of Churches as adopted by its general board which is broadly representative of its member church bodies.

The concern of the National Council of Churches both for improving the condition of the poor and for the elimination of involuntary poverty through attack on its basic causes is as old as the organization itself. Indeed, this concern characterized for many years the antecedent organizations which in 1950 combined to form the National Council of Churches.

Among the practical expressions of this concern are major field programs as well as numerous pronouncements in such fields as labor-management relations, agricultural migratory workers, American Indians, the Spanish speaking, new immigrant people, city slum dwellers, and the rural poor.

Our opposition to poverty springs from roots deep in our Judeo-Christian heritage. Without taking your time for citations from the Bible, let me assure you that the Christian faith affirms that obedience to the will of God demands that the hungry be fed, the naked clothed, and justice be established in the land.

From its inception, the National Council of Churches has spoken out against poverty. On May 16, 1951, the general board made the following assertion in a policy statement entitled "The National Council Views its Task in Christian Life and Work":

If our nation were to set aside a substantial portion of its material treasure for the alleviation of poverty and misery of the underprivileged and dispossessed, redemptive and creative forces might be released that would ensure for ourselves, as for others, the peace for which we pray.

In its meeting, held in September 1951, the general board focused the nation's attention upon a very specific group of the "underprivileged and dispossessed" in a comprehensive policy statement on "The Concern of the Churches for Migratory Farm Workers."

Since that time it has, time and again, spoken out against the patterns of injustice which create and perpetuate poverty. On February 27, 1964, the following statement was made in a "Resolution on Elimination of Poverty":

"Poverty is ethically intolerable. The persistence of poverty has become a matter for which men are morally responsible."

The National Council's efforts to raise the issues surrounding the problems of poverty have not been limited to policy statements and resolutions. Although I have with me the texts of statements regarding economic growth, area development, employment and wages, income maintenance, food and clothing, health services, housing, family life, minority racial problems, farm and agricultural problems, migrant workers, children and youth, public assistance, and many others, I would prefer not to speak of pronouncements, but rather of action taken and problems faced.

The National Council of Churches has engaged itself actively in assisting the rural poor. For years there has been a strong movement to assist the migratory farmworker. At the present time this effort is increasingly to support the efforts of farm labor to organize for recognition as a bargaining unit. We feel that one of the most important tasks before those concerned about the elimination of poverty among this long-exploited group is their immediate coverage under the National Labor Relations Act and their complete inclusion under minimum wage coverage.

The tragic conditions which maintain the cycle of poverty among farmworkers will not be solved by a "band-aid" social service approach, but will require the organization of power coalitions which can offset the powerful forces representing the growers which have for years been able to maintain the status quo of servility.

The plight of the small farmer and the sharecropper have also been of great concern. Sustained adequate income is essential both as a requirement of justice for farmers and of stability for our total economy. Because of their ineffective and powerless bargaining position, farmers do not participate in the growth of the economy except in times of extreme demand.

We have encouraged general farm organizations, cooperatives, and the creation of programs designed to assist these persons to earn adequate incomes and achieve satisfactory levels of living.

The problems which face the minority group persons living in rural areas are far more difficult to define and to attack than those of the urban resident. Our own observations of rural poverty across the country have led us to believe that this group lives under the worst conditions with the least hope of finding solutions to their problems of any group in this country.

It was in recognition of this fact that the Delta Ministry of the National Council of Churches was initiated. This attempt to assist the poor—primarily rural—in Mississippi has had the support of the World Council of Churches as well as secular agencies.

One of the learnings which we have gained from active involvement in this situation is that there is a culture of poverty which stifles initiative and creates a hopelessness of despair. Although we are not yet certain that we have any answer for breaking through this attitude, we believe we have some clues.

It is clear that organization which begins with the poor and which responds to their concerns is one way of beginning to break through. We have been involved in a number of projects and programs in Mississippi, which we would be happy to describe to the Commission, which we feel may be patterns for future action.

Recently, the Anti-Poverty Task Force of the National Council of Churches conducted a series of hearings regarding the plight of the poor in eastern Kentucky. I am certain that the chairman of this Commission is deeply concerned about our findings.

We have prepared a report which we believe will be cleared for public distribution in the near future. The peculiar cultural conditions which exist in this area of the country call for imaginative programs, and unless the historic feudalism which exists in this area is broken, it is doubtful whether any significant changes can be made.

One of the areas where the problems which beset the rural poor become most obvious is in their migration to urban centers across the country. It is a well known fact that much of the Negro concentration in urban ghettos across the country is rural in origin.

Their reason for coming to the city was prompted by the conditions of poverty and discrimination which they faced in the rural area where they were born. However, upon arriving in the city their situations are not greatly bettered. In fact, it may be more difficult to sustain life.

However, once they have arrived, few return. Many rural whites have also migrated. They have been in most cases more easily assimilated. However, the Appalachian poor, primarily because of their cultural orientation and value system, have not adjusted in most areas to the patterns of urban life; and we find ourselves attempting to minister to withdrawn persons with methods which do not meet their needs and with programs which fall far short of solving their problems.

The National Council of Churches is related through its member denominations to many programs in urban centers which attempt to assist these types of people. In my experience I have found that many of these persons would have preferred to stay in the rural area or small town from which they came; however, they now do not consider returning.

One of the patterns of our time is urban in-migration. Unless we take strong steps to deal with the problems of rural poverty and deprivation, the crisis of our cities will increase and the unrest and unhappiness of a large proportion of the population will explode in violent protest.

This short statement is an introduction to the wide range of concerns which we hold regarding rural poverty. We are deeply concerned that there be no cutbacks in Federal programs designed to assist the poor. We hope that there will be more Federal involvement in these programs, not only because the Federal Government enjoys revenue sources which are more socially equitable and financially adequate than those of most States and counties, but also because most State agencies are, unfortunately, relatively inflexible in their approaches to rural poverty.

Imaginative and creative answers to the problem of rural poverty will not emerge from any one agency alone, of course, whether it be at the State or the National level. A continuing search, a constant openness will be necessary. The National Council of Churches pledges its support of such efforts both as an ally and as a loyal critic.

Some solutions must be national in impact; others must be local. It is essential that full support be given to local efforts, and particularly to "the maximum feasible participation of the poor." National agencies must not equivocate in their commitment to meaningful participation by the poor at every level in antipoverty efforts, even when such participation leads to friction in the communities involved.

The Anti-Poverty Task Force of the National Council of Churches, on its part, recognizes its responsibility to make every effort to convince local church members of their responsibility to participate wholeheartedly in the search for solutions to rural poverty.

Above all, we reject any analysis of poverty in our nation which identifies the poor as being the source of their condition. We insist that the existence of poverty is not, in the great majority of cases, a judgment on the poor, but rather a judgment on the moral failure of society as a whole.

The tenant farmer in the Mississippi Delta, the unemployed miner in Appalachia, the seasonal farmworker in Starr County, Tex., is not poor because he is sinful or lazy. He is poor because we have not been willing to pay the cost of social justice. We resent the use of cliches from the religious vocabulary which place the blame for poverty either on divine intent or on the poor themselves.

Thank you, Mr. Chairman, for this opportunity to express the concern of the National Council of Churches about rural poverty.

The CHAIRMAN: Mr. Davis?

Mr. NEIL DAVIS: Mr. Schulz, you referred to what the National Council has done in Mississippi. This is a tremendous thing. We are thrilled with what they have done there. It is obvious from what one reads and from what you said that the National Council of Churches of Christ, at its level, is putting its heart and its mind and its resources and its talents behind the efforts to push the church into these concerns.

But let me ask you this question: Does the National Council see any indications that the church at the lower level shares these same concerns about economic and social problems?

Mr. SCHULZ: That's an unfair question. The church at the local level, by and large, reflects precisely the structures of the community which maintain poverty.

The problems of poverty at the local level are really the problems of the powerful over against the powerless. In most cases the powerful are in our churches. Basically, it is "good church people" which allow poverty to exist. And they are not going to give up this position.

Therefore, the church is split, being very candid about it, it is, and especially split in places where we have been engaged, such as in California, with the organization of the National Farm Workers' Association, and in Mississippi, and in a great number of places across this country.

We cannot call on the man in the pew and ask him to be counted in the efforts which we are trying to put forth at the national level.

Mr. NEIL DAVIS: I didn't mean to ask you an unfair question. I was hoping you would say you could cite some instances of a growing awareness and concern.

Mr. SCHULZ: I think the only way the people will ever be made to see what the problems are is that they are brought to a point where they have to deal with these issues.

Now, even if they are antagonistic, at least they would move from where they were at one time.

I think that, for instance, Churchwomen United has moved a long way, and is in fact far out in front of the church as a whole in the South in dealing with problems in that area.

Now, that's part of the church. They are the wives of the men who make the decisions in these communities. I wish they could convince their husbands that, you know, about some of the things that they believe.

The CHAIRMAN: They will. I have worked with the National Council of Churches, Mr. Schulz, serving on one of the commissions. I think they have done a terrific service. The National Council, the position it has taken. I think it applies also to the State Council of Churches in many instances, and I can say, trying to be as objective as possible from where I sit, that I can see substantial changes being made at the low level, and attitudes of people, and that's precisely what we are trying to change.

I attribute that a great deal to the National Council's leadership.

Mr. NEIL DAVIS: You still said, though, that when a representative of the National Council such as Mr. Schulz here makes a statement, he has to begin by making it clear that he is speaking just for those people in the National Council who are formulating policy and not for churches on down the line at lower levels. This is what I was speaking of.

The CHAIRMAN: I expect that may be true of most organizations that are pluralistic in nature and made up of a number of single entities of one type or another.

But anyway, I think the educational aspects and informational aspects of the National Council's program is having some impact, and that's what Dr. Davis is interested in.

Mr. Laurel?

Mr. LAUREL: You made reference to some of the fine work the National Council is doing in all of these problem areas, particularly in the areas of poverty.

How is it translated into action, for example, among the workers in Starr County, or what action, if any, has been taken on the local level, or what is being done, in other words, to either encourage, or to actively participate, or to help?

Can you answer the question?

Mr. SCHULZ: Monday, a full-time staff worker paid by the churches will begin work in Starr County, Tex., to serve as a supporting agent to the farmworkers as they attempt to organize. We are at the present time trying to pull together enough material to take to the Department of Justice to show that Public Law—what is it, 78?—is being violated.

We are at the present time attempting to establish a "strike fund" which will support these workers as they attempt to raise this issue.

As you perhaps know, we have supported through the church a staff of about 10 persons in California to assist the farmworkers in their organizational efforts.

We are at the present time preparing to move some of this staff. They will be participating in what we call a selective patronage campaign, if this is possible, in Starr County.

At the present time, we have put on our staff a man who will work to head up a coalition, with his sole aim to be to gain collective bargaining under the NLRA legislation for farmworkers.

Mr. LAUREL: Now, is a concerted effort, or any liaison existing presently between Catholic——

Mr. SCHULZ (interrupting): Yes, this coalition is made up—I am sorry to make it sound like we are doing this alone. It's certainly a coalition effort——

Mr. LAUREL (interrupting): The coalition is made up of what groups?

Mr. SCHULZ: Well, it is labor, the church, and other agencies concerned about this. The AFL-CIO is in this, the Citizens Crusade against poverty, the national—let's see. I'm trying to think.

Mr. LAUREL: That's good enough.

Mr. SCHULZ: It's a broad coalition.

The CHAIRMAN: It is all of the religious faiths.

Mr. LAUREL: That's what I wanted to get. In other words, all the religious denominations are participating.

Mr. SCHULZ: That's right. I was thinking primarily of the work we were doing when I said we established—well, we have provided the funds, for instance, for the particular relationship to NFWA, although we know the Roman Catholic Church did the same thing. The coalition itself——

Mr. GALLEGOS (interrupting): One of your recommendations was that there be no Federal programs cut back that would help the poor. Would you like to specify any programs that particularly help the poor, and could you suggest any new programs other than the legislative approaches you mentioned, that would be helpful in stemming the flow of migrants to the cities and stabilizing the farm economy?

Mr. SCHULZ: The programs that have been developed by the Office of Economic Opportunity have both their good and bad characteristics, but the good so far outweighs the bad that we are at this point saying that we want them all maintained.

Now, it depends on the part of the country you are in. I could sit here and tell a real tale about how the worker education program has been misused in eastern Kentucky, but I would have to turn right around and say that the minute you cut off funds from those programs, like has been done, 1,600 persons cut off that program in the last 2 months, then we are in real trouble. We can't cut off those funds, even if they have not been utilized as some of us middle-class people would like to see them used.

I would say that VISTA, which is under attack in certain parts of the country, has been very effective in certain parts of Appalachia, so that to make a judgment on certain aspects of the program over against others would be very, very difficult.

The Job Corps, I think, for instance, is its own worst enemy in many respects. It does not have a good public relations department. It has not done this job adequately, and some of the statistics that have come out of there have been utilized by antagonists to show how ineffective this is, but on the other hand one of the pertinent statistics is that 70 percent of the persons who have at any time been enrolled in the Job Corps situation are now in some type of employment, either military or some job situation.

And I think in the light of the percentage of those who were not so when they came into the Job Corps, this is sort of a positive figure.

Well, I think there are many things that have to be done, but mainly the thing I am most concerned about is the maintenance of money in CAP programs.

I think the heart of the poverty programs are the CAP programs, where local people can develop projects on their own.

As I said before, this is a power struggle, and unless there is some way made available to these powerless people to develop power, we are not going to eradicate poverty.

The **CHAIRMAN**: Are there any questions?

(No response.)

If not, thank you, Mr. Schulz.

Mr. **SCHULZ**: I just brought and put one of the publications of the council, which includes the latest poverty statement—I did not include that in my testimony, but it might be of interest to the members of the Commission.

The **CHAIRMAN**: Are there enough copies there for all of us?

Mr. **SCHULZ**: Yes.

The **CHAIRMAN**: Thank you.

Claude Brown.

How are you, Mr. Brown? Before you begin, I would like to tell you that copies of your book have been made available to all of the members of the Commission. I'm not going to embarrass them by asking how many of them have read it, but it was made available to us, and we are looking forward with a great deal of anticipation to your testimony before this Commission.

We express our appreciation for your coming.

STATEMENT OF CLAUDE BROWN

Mr. **BROWN**: I would like to thank you for the invitation, and I'm very happy to be here, and I hope that whatever I have to say might be of use to someone, and of some value to the Commission.

I know very little about rural poverty as such. I suppose all poverty is very similar, but I do know something about transplanted rural poverty; that is, rural poverty that is taken to urban areas.

You take poor people that migrate from rural parts of the country to the urban communities. They are just as poor, and many of them poorer in a sense, because they are more unprepared to cope with this new urban situation than they were in the rural communities.

This lack of educational preparation can be summed up in terms of education and lack of skills, not enough room for the family—if everybody lives in a shack on a farm, even if it is a tenant farmer's shack, it is not as annoying to the neighbors, because the neighbors' shack is going to be down the road somewhere.

It is a little different where you get into an urban community where people are crowded together in tenement houses. If you get 10 people in an apartment that was built for 4 or 5, they're going to get on each other's nerves, and when they start fighting and banging on the walls and doing whatever else their frustrations would provoke them to do, it is going to bother the neighbors, whereas in the country it didn't.

Perhaps one of the most tragic things about it is that the neighbors themselves are in pretty much the same position, and they can't—they can't react in a way that's going to bring about some sort of change, that's going to bring about the action that they want.

Now, it seems that in the urban communities—when people begin to migrate from the South or from the West, or any rural sections of the country, they go to certain specific areas. Like you don't find many of them coming to New York any more. There used to be a great influx of poor people migrating to New York from parts of the South.

They still come to New York, but when I say New York, I suppose I am referring primarily to Manhattan, the Harlem community. It is no longer the community which receives the vast—the bulk of the migrating farmers and sharecroppers and this sort of thing.

Today, I think the vast majority of people who come to New York, go to Brooklyn, and they settle in the Bedford-Stuyvesant section, which is like a Harlem, a Harlem across the river. Anybody who has some familiarity with New York City over the past two decades will be struck with the sight of—that is, traveling in the Bedford-Stuyvesant area—will be struck with the similarity of the Bedford-Stuyvesant area of Brooklyn and the Harlem community of 20 or 15 years ago. There are still a lot of second-hand goods stores, where you will find second-hand furniture, appliances, everything.

They have buildings, dilapidated tenements, in Brooklyn. It seems as though nobody—perhaps, they are just in too much of a hurry—but it seems nobody will take the trouble to raze them. They build around them.

They look nice to the people who built them, and that's why they built them. Anybody who has been in urban renewal, he sees a housing project, and this is progress. Yet, they go into the back alleys to see that there is a block, actually a square block of tenements, dilapidated, rat-infested tenements, in the center of this development that they just hid, because they built the development higher than the tenements. And it is just a matter of time before the rats and the vermin move from this tenement, because they will find that the pickings are better here, to the new development.

Anyway, these people can accept this, you know, as a brand new thing. It is new. It's not a shack. They have electricity and all the modern conveniences of urban living today, and because they don't have—they don't have enough basic, necessary skills, basic economics, they go into a store and ask for a pork chop, and somebody says it costs $10 a pound. If they have got $10, they pay it, because they don't know. If they've got $5, they will say it's cheap.

The man says, "Look at the scale." If they can't read the scale—maybe the scale says half a pound.

You have this community of people, it's still built up. It builds from time to time. What happens is, it's like everybody who comes—everybody who migrates from a rural area and gets into an urban community, he is going to become sophisticated in small ways, even though he hasn't been to school. He will hear from comrades, or from people with whom he works, about lower rent housing in New York, and that's Manhattan, Queens, and the Bronx.

They come out of the Brooklyn ghetto, which is, say, Harlem 15 years ago, and then they go into Manhattan.

They know now that they shouldn't pay more than $90 a month for a tenement with four or five rooms in it, and they can get this, but still you have the others—the influx is continual. They keep coming from the South, and this community keeps thriving, in a place like Brooklyn, the Bedford-Stuyvesant section, because you have the Jews still in the process of their exodus, and they are still selling this furniture that they have had for the last 15 or 20 years, if not more, to the second-hand furniture dealers, and he is waiting for the new crop of migrants to come from the South, and he passes it on to them, and some of them will leave and there will be at least 10 to replace them.

It seems to me this problem could be somewhat alleviated if there were something comparable to an agent to inform the migrants who are going north or going to any urban areas of the country, to inform them just what's there for them.

The only people who are prepared to receive these migrants are the exploiters, and apparently nobody else cares, so they have nothing to look forward to when they arrive in these urban centers but exploitation, and usually this is all they get.

Now, you take the antipoverty money that is always being poured into places like Harlem and the Bedford-Stuyvesant section. They aren't even interested in these newcomers.

You find Negroes, even though they are not considered the low-class Negroes, they have been living in the community for a long time, they have a certain "in" in the community, they know what's going on, they can go to the politicians and threaten them. They can say, "Look, if you people don't give us money for our church, or the civic action group, what we're going to do is go to the newspapers and tell them that the whole thing is a fraud. You are giving the money to the people who have a bachelor's degree, and your friends, but not to the people who need it."

And they get some. They are about 10 years ahead of the new migrants. They are not concerned about the new migrants. Nobody is concerned about them. The only ones concerned about them are the ones waiting there to take them.

You will also find that in this same community there are people who are doing good, they are making $60 a week—even though they may have a family of eight, nine, and they consider it doing good, like on the farm they made something like $15 a week, or that much, or wherever they came from, or $25 a week.

Now, if we had some sort of agency that could inform them about basic things like the minimum wage law, like, okay, the law says a guy has to be paid $1.50 an hour in New York State. If he has only been making something like 50 cents an hour in the South and you pay him a dollar an hour, or you pay him 75 cents an hour, he's going to be pleased, because this is progress.

Okay. If they were to inform these people about just what their rights are, and not simply inform them, because it seems as though poor people are naturally passive for some strange reason. There would have to be an agency to enforce their rights, or to see to it that the rights are exerted.

It's like—it isn't simply enough to tell these people that the rights are there. With them, you have to show them how they can go about getting the rights that are rightfully theirs, or exercising rights that they have.

Now, another thing that such an agency can do—perhaps I'm running ahead of myself here—there are a lot of things I wanted to say—but I think it's most important, if you don't get to all the complaints or afflictions of the migrants, I think it is more important to get said what can be done about it.

Many of the industries in New York City that use unskilled labor are moving out of New York City. It's like if you—everybody knows New York City used to be, and many people think it still is, the textile industry in the country. Well, it's a remnant of the textile industry now, because of the congestion there, mainly. Like, today, it would take a truck—

Let's say a dress manufacturer has a couple of factories in New York City in the mid-30's of Manhattan, which is the garment district, and he has to get this truck over to a pleating or an embroidery factory over in Brooklyn some place. He can take any of the bridges, the Brooklyn Bridge, the Manhattan Bridge, or the Williamsburg Bridge, and during the day it is going to take you 2 hours to get over there, and you have got two men on the truck.

If you don't need two men to load it and drive it, you need two men to watch it while one goes in some place.

Anyway, you have to pay these two men 2 hours, and it takes 2 hours to get across one of these bridges. It's wasting a lot of money.

You can go to southern cities now, such as Birmingham and Atlanta. A lot of industries are locating there now. They have been since the end of World War II.

If someone were to tell these people. instead of going to New York, if you want to make it, you can go to some place like Birmingham or Atlanta, because there is a bigger demand for your skills, or your labor, I'm certain that many of them, if they could be convinced—you know, all they have heard so far, that there is milk and honey in New York City, and like New York City is the place to go, that's where all the money is.

You have relatives who write back and say, "I'm getting rich in New York, I'm making a couple of hundred dollars a week."

In some instances, it might be true, but they're not doing it legally, and most of these people don't want to go to jail. All they want to do is earn a decent living.

One could tell them, you can go to Birmingham or Atlanta and make a decent living, you can make $75 a week without any special skill, and instead of going to New York and having to live in some dilapidated, rat-infested tenement, or some two-family brownstone in Brooklyn, and hand-me-down furniture and fake fur, they would go to Atlanta or Birmingham and make $75 a week and live in a decent home.

The government seems—I don't know what they have done in the way of dealing with rural poverty. I have heard a little bit about giving money to people in Appalachia and, you know, they send the VISTA workers in there, and I don't think VISTA workers could really take most people who they might come in contact with—who migrate from southern areas.

I like to give these illustrations, especially when colored people are around, and it says, "You're talking about us, and trying to show the white folks we don't live that way."

Anyhow, there is a corner, I suppose everyone has heard of 125th Street and Seventh Avenue in Harlem, and Nostrand and Fulton Avenues in Brooklyn. Now, on Nostrand and Fulton Avenues at any time of the day or night, you will see at least eight big, burly white cops, like two on each corner, and you'll see patrol cars coming around frequently, and I suppose to someone from the outside this looks like a concentration camp, and I suppose to someone from the inside it feels like a concentration camp.

But it's really a necessity, you know. It's like—a lot of social psychology comes into play here. You can find that most colored cops, if they are 10-foot giants, they get hurt on that corner in a very short period of time, and this is because people coming from the South, it seems that they can't—they don't have a lot of respect for Negro authority, because they haven't seen too much of it, and for the same reason—now, are we on radio or anything here? (Laughter.)

You get VISTA workers, like nice young kids from middle-class backgrounds, and you send them in to work with these people, to whom they mean nothing. They come here and talk about helping the people, and all they want is some money—there's a good chance that somebody is going to frighten them to death before they even get their feet wet in this community.

There's an interesting case where a girl comes from a—well, she's a welfare worker. She goes into a guy's house, and he's making liquor, and she says, "I'm your investigator." He's getting a check.

She's a cute little blond, all of five feet-something; here's this big, burly ebony giant, and she says, "I've come to investigate you," and the guy looks at her and dies laughing, and she asks him to turn on the light, and this laughter gets louder, and she runs out into the street screaming.

Well, this sort of thing, that's a mild case.

You knock on the door and, "Mr. So and So, this is Miss So and So. I'm from VISTA, and I would like to talk to you about your son"—and this sort of girl. The very rough voice from behind the door, "You better git away from the door before I beat your ass!" They're not going to be very effective in this community.

So you've got to get the people who can handle the situation, and the people who can handle it best are the people who have some familiarity with it. It seems today for the first time that it suddenly dawned on the policy managers of this country that it's just possible that people who live with poverty may know something about it, and I think this is a very great revelation.

Especially in New York City, where they even list the aid for the indigent people like all kinds of social—all sorts of things, nice things—social facilitators, welfare aids, and many of them haven't finished high school, but many of them, they know the community. They don't frighten people by saying, "I'm an investigator."

This program can be expanded to a great extent, and in practically all the urban communities. It seems that there is a group in this country that is very seldom considered, and I think it's time that the government begins to give it some consideration. And that is the Puerto Rican. The Puerto Rican also has a language barrier that gets him into a lot of difficulty.

Everybody knows about the riot in Chicago this past summer. Well, for the past 5 years, Puerto Ricans in Chicago had been asking for Puerto Rican policemen on the beat, you know, and it was a legitimate request, because a Puerto Rican mother, her child falls out the window, the child becomes asphyxiated, there is a fire or something in the house, and she wants—she runs out, she wants to tell the police, of anything happening.

She doesn't speak good English. She runs up to him and starts ranting in Spanish, and he can't understand, and he says, "Go on, go on."

So the people from the Puerto Rican community, the result is that there are deaths where there shouldn't be deaths, or similar tragedies.

The people in the Puerto Rican community complained to the chief of police in Chicago. They would say something like, "It is a necessity we get Puerto Rican policemen." The chief would say, "We can't find any 5-foot-10 Puerto Ricans, you know, and we have to find 5-foot-10 Puerto Ricans to pass the police examination."

So, okay, this goes on for 5 years. Suddenly there is a riot, in the summer of 1966, in Chicago. Suddenly, subsequent to the riot, there are 250 5-foot-10 Puerto Rican policemen on the Chicago police force.

It turns out that their most effective course of action was to riot. Now, this shouldn't be the case. It shouldn't be necessary. Okay, that's fine, this problem is solved, but now let's move it to the garment district in New York City.

Both New York City and New York State have a minimum wage law of $1.50. You have these guys who are always—you have foremen who will—they aren't the most scrupulous people around in the garment center. You have employers, first of all, who are going to pay them $1 an hour, instead of $1.25 or $1.50 an hour. Then you have the foremen that tell them because they came in late, even though this isn't a policy of the employer, he's going to get docked.

Eventually, a guy, he's only making $40 a week, or $50 a week, and he can't articulate disappointments very well to his foreman or employer, and he says, "Look, I want more money," and the guy says, "Look, you didn't earn more money," and he hits him, and it's justified. Still, he goes to jail for something like that.

Consequently, you have a lot of migrant Puerto Ricans, the same with the integrating Puerto Ricans, and the same with the Negroes from the South landing up in jails, and they don't do anything for them in jail. They will keep them there and feed them, but once they get out, many of these people have problems.

You hear about how much money they made while they were out on the streets, in various criminal activities, so we have this other problem. Nothing is being done to stop the encounters they are going to have with the law, simply because, you know, because they can't communicate very well and express their grievances; as a result of this you have this other problem of having to take care of them in jail.

It would seem to me that we need an agency whereby we should stop the first problem. Like the riots, the going to jails, there ought to be some sort of system whereby the people ought to know how the people come to New York. People ought to know how to come to the community where the jobs are. There is a government information agency. Why don't they give out information to these people who need it, like these people?

The Chairman: Could we stop for a moment while the reporter changes his paper?

(Discussion off the record.)

Mr. Lawrence Davis: What is the age group that migrates? Can you comment on that at some time in your talk?

The Chairman: You may proceed.

Mr. Brown: In encountering the law by mistake, many of these people become the victims of an unjust system of justice.

It's like in Attica State Prison in New York State, which is the top security prison in the State, there is a fellow there known affectionately by many of the inmates as Cuda—it's a nickname, of course—and Cuda is about 35 years old. Thirteen years ago, he got up on a train in North Carolina, to come to New York, and he missed New York City and went to upstate New York. He got off the train. He met a hobo who took him to a hobo camp and gave him some wine—not a vintage wine.

Anyway, they drank the wine, and they ate some soup, the main dish at hobo camps, and they went to sleep, and the next day he got up and the guy missed his wine, the hobo whom he had met, and he happened to be white, and Cuda happens to be a Negro.

Anyway, they got into a fight, and after a while got to scuffling for a while. The white hobo runs to town and gets the sheriff, and he comes back with the sheriff, and Cuda, not knowing what to do, or where to go, he tells him this guy took his wine, and they got into this fight, and he said he had 35 cents, which he claims was stolen, too, and, it's like in these little hick towns, the sheriff is a little hillbilly, sort of like Keystone Cops. It's a laughing matter unless you are a victim.

Somehow, the sheriff saw this situation, or Cuda's act, as constituting armed robbery, and assault with a deadly weapon, and a conglomeration of charges, serious charges, so he went to one of these out-of-the-way courts, and they gave him 30 years, and he is still in Attica now, and the pathetic thing about this is that there are many lawyers who tried to get this guy out. He was a migrant farmer prior to going to jail, and today he doesn't want to come out.

He refuses to leave Attica, which is not a nice prison. He went to other places and went and got in a fight and ended up in Attica. Here, the man found a home. He's good at fixing things, he's something of an electrician and everybody likes him. He never had any education, no formal education whatever, not even first grade, and the truth of the matter is that he is treated better in Attica than he was ever treated outside, and there he doesn't have to worry about—he thinks he's lucky, because being from the South, he thought that he might have been hung when this guy came back with the sheriff, and I suppose there was a possibility, even in the North.

I'm certain that there are many people in jails throughout the country like this. Migrant farmers, hobos, just guys who got up and left.

Now, in large cities, they have some form of legal services for indigent people, you know, like the lawyers who are serving the poor, and it's going to be called by something like that, but what happens to the migrant farmers, who go into some small town, somebody doesn't like them, maybe they come up on the lawn in front of city hall, and they throw them in jail.

I think something ought to be established to represent people like this.

And if we don't establish some sort of system whereby we can inform the people as to just what's awaiting them in the North, what's not awaiting them in the North, or where the real opportunities lie, and some form of protection for them once they have ventured forth from the shacks, be it sharecroppers' shacks or a shack in shantytown some place, this situation is going to perpetuate itself.

So I hope that something will come out of these hearings that will stifle it.

The **CHAIRMAN**: Thank you very much, Mr. Brown, and we are very grateful to you for this presentation, and I think the Commission members who have read your book know that you have lived close to these problems in the city, and a large amount of the testimony which the Commission has taken in the last few weeks has dealt with the problems of migrants and rural poverty, migrant poverty in the cities, transferred from one to the other.

We are grateful for your suggestions that you have left with us, which will receive every consideration.

Do you members of the Commission wish to inquire?

Mr. Gay?

Mr. **GAY**: Not so much inquiry, Mr. Brown, as a statement. In the years that I have been working and concerned with this same problem that you spoke of, the problem comes to me, and I don't know if you have an answer, or if anyone does.

How can you make the people in the South, the section that I come from, how can you communicate with them? You can talk till you are every color in the rainbow, and you say, "Well, down here you've got the Ku Klux Klan and you've got 50 cents an hour, and you've got the boll weevil and cornpone. But up there you are going to get a dollar an hour, and the whores and the pimps and the rats and the ghettos, the violence, and the bigotry.

They just don't believe it. It's all in that promised land that you are so familiar with.

I have never seen anybody yet, whether he be a lawyer, social worker, whether he be Negro, whether he be white, if he's down home, he can't get the message across. He just can't do it. I don't know what the answer is.

Mr. **BROWN**: Mr. Gay, I think the problem just might be that they know what they are suffering in the South, and they don't know anything about the pimp, the pimps, the whores, the rats, the vermin, and the police abusing them, and it's not reality.

This 50 cents an hour and the Ku Klux Klan is a reality, and if anything, it's like anything they can get is a change.

Mr. **GAY**: I might say in North Carolina we have the same problems with the "poor white trash" and the Indians. We have a large Indian population in and around Lumberton, N. C. I was reading a story just the other day where thousands and tens of thousands in that Bright Leaf Tobacco Belt, they have gone off here to Baltimore and they have got a slum that would out-slum Bedford-Stuyvesant—thousands of Indians.

So it isn't only a Negro problem at home. I know my own kinfolks, and I come from way down in that section down there where they migrate and think it's a great thrill—they still leave and you can't get to them to save your life.

Mr. **Brown**: We need an Indian voting population followed by some big Indian writers.

The **Chairman**: Mr. Laurel?

Mr. **Laurel**: Mr. Brown, I'm very much interested in what you related here, about this fellow in the prison. Is that what you related?

It's conceivable, of course, and I know it is very apt to have happened 10 or 15 years ago. In view of the recent decisions of the Supreme Court, unless I haven't read them clearly, the Escovado case, the record of a person being taken to a magistrate being told what he was accused of, he is provided with counsel, and if not, one will be provided for him.

Of course, we hope this kind of a situation, at least, will find its way to where people are not just being given any idea of a star chamber proceeding, as might have been possible some years back. Do you find this to still be prevalent nowadays?

Mr. **Brown**: Yes, it is still quite prevalent. It's a little more, even where they don't have the star chamber proceedings, like in New York City, they have this sort of quota system with the D.A. and when the D.A. needs another conviction, he gets some guy around who might be dealing in drugs, or something. He might be doing anything, and he gets a few of the stoolies to say, "Look," and, you know, they intimidate people.

He says, "I saw you doing something, or we saw you selling stolen goods. If you don't act as a witness for me, you're going to get 5 years."

This other guy, they want to get this guy on a conviction like selling narcotics. He gets 20 years.

A poor migrant coming up from the South, they know what's happening, but there is nothing you can do about it. They go into the courtroom, and say, "He threatened me with 20 years, and I got 5 years."

If you are arrested in New York City, and you say, "Call my lawyer," okay, it's like really they're going to call your lawyer. But you say, "Call my mother or my wife." Nobody pays any attention to it, or you'll never get a phone call.

If anybody speaks to whoever the arresting officer was, or whoever it was, he says, "Oh, yes, we called, and there was nobody home."

The guy who has the lawyer, there is a good chance that he's somebody and they are going to get some fuss out of it if he doesn't get his rights.

But the average guy, they make up the bulk, the bulk of the cases that make up the arrests. They don't get any consideration, even though they know what's happened to them.

A guy like Cuda, perhaps he is better off. The man is deathly afraid of the outside world. The most that is going to happen to him in jail, he will get into a fight, or maybe somebody will kill him, but it's like he's not going to have to face all the frustrations and the disappointments that he's going to have to face out here. He's not going to have to cope with challenges that he can't possibly meet.

The **CHAIRMAN**: Dr. Bonnen?

DR. BONNEN: Do you think he'll live long enough?

Mr. **BROWN**: He may.

Dr. **BONNEN**: In your book, "Manchild in the Promised Land," you described family problems in the ghetto, or the Harlem Negro, and it was a major element, as I interpreted it, driving the young into the streets.

But as I read this, I kept, it kept coming back to me. If you have read it, I wonder if you would want to comment on Patrick Monyhan's thesis about the Negro family in the ghetto, this disintegration.

Mr. **BROWN**: Some of Mr. Monyhan's statements have some validity, and the thesis is definitely worth considering, and he—I criticized it extensively some time ago in writing, on the basis that he was starting with the wrong principle, that the Negro family is not really in the process of deteriorating any more so than before. Actually, the Negro family is in the process of still being established.

You find that this generation, perhaps in my generation, perhaps you will find many people my age who will be getting married, and starting families, whereas this is the first generation that there has been a marriage and a family, and this sort of thing.

But there is definitely this conflict which, unfortunately, with the exception of you and others with your interest, social science studies, there are very few who have paid enough attention to this conflict which I tried to describe in the book, between the generations, my generation and my parents' generation, and I'm certain it is still being experienced.

It's like I resented my father because he couldn't provide for me what other kids in the community had. Maybe they were, you know, two-generation New Yorkers, or something like that.

I couldn't listen to my father because, you know, like he just wasn't a person of authority in the social structure, and I was aware of this, so who was he to tell me what to do?

I'm certain that many of these problems still exist between the generation of the migrants from rural areas and their children, and there is a good chance that that's going to go on for some time.

Just what the Government can do about it, short of about $100 million, I can't imagine, and it's always been, for some time now—at least, it has been my conception that the Government wants to do something about all the problems, at least cost.

The **CHAIRMAN**: Mr. Woodenlegs?

Mr. **WOODENLEGS**: Under the OEO program, we have legal aid. The Indian people have this OEO program, and under that, they ask for legal aid to the poor.

Now, under this program we can get legal aid, where they can't have a lawyer——

Mr. **BROWN**: They have got something like this going in most of the major cities throughout the country today, especially in New Haven, Conn., where all this business of the War on Poverty started.

It seems to me what they need, as I mentioned before, is some form of legal services, and almost all large cities have this. It seems to me that what they need is that with every agency created as a ramification of the War on Poverty, to alleviate some specific ill in the community, be it social, economic, political, et cetera.

It's like what's needed is a sort of watchdog, or prewatchdog element of constant evaluation, to see, "What are we missing always?"

Take the legal services for the indigent people. They are not very effective. It's like some people who make too much money and they can't get legal aid; and they can't get legal services for the indigent, because instead of earning something like $3,300 a year, they earned $3,500 a year, which is a little silly.

Then there is also the problem of these people, the lawyers, that you have representing the indigent people not really being dedicated enough to go up against the power structure, the local power structure. They are not going to take on the chamber of commerce, better business bureau, or anybody like this. It wouldn't be good business.

Mr. WOODENLEGS: The Indian people, they have law and order, and they have good law and order. They have the Fox Warriors and the Dog Soldiers and the Chiefs. There are four. If a person commits a crime, he is kicked out of the tribe for 4 years. If he survives out there, he can come back later.

For a misdemeanor, these warriors pony whipped him, and he didn't commit any more misdemeanors.

Mr. BROWN: They have some laws here in various governments that are similar to this. They don't just kick you out of the tribe. They kick you out of society and put you in confinement, in a jail, for a long time, and this way it just might be somewhat more effective, because this way you don't have an opportunity to go and commit crimes against somebody outside the tribe, unless it is some more criminals in jail, and then that is okay. (Laughter.)

The CHAIRMAN: Mr. Gibson?

Mr. GIBSON: Mr. Brown, we have heard a number of people as we have talked about rural poverty say that the solution, basically, is migration from the rural area to the urban area.

At the same time, we hear from the urban area that—in New York recently they released figures that as many as 50 percent —about 50 percent of the products of the public schools in New York—in the school system—are a year, 2 years, 3 years behind.

I think a full 20 percent of the New York school system pupil population is 2 years or more behind. It so happens that this 20 percent is heavily centered in that group in Bedford-Stuyvesant and Harlem, which comprise the children of those who have migrated from the rural areas.

I find it interesting that some of the people in Harlem and Bedford-Stuyvesant and some of the other slums, like the one I came from, have indeed been able to use, you know, education —you yourself are now in law school. Some of your friends—I am sure you could point to several who are doing things here and there.

But in general, what would you say is the part that education can play as a single factor in the lives of the population, the young kids in those slums, especially with reference to their ability to utilize it.

Mr. **Brown**: I think education can play the part that—that it has been blueprinted to play, to prepare the people to become constructive and productive citizens in society, and at the same time to understand the society. This is what they will have to do before they can become productive.

The question now seems to be, well, how? It's been doing this for a long time.

I think one of the greatest tragedies in ghetto communities throughout the country is that you don't have really dedicated people in the system. It's like, I suppose you've heard about P.S. 201 in New York City. Everybody says, "Why, this is crazy, why do they want a Negro principal here?"

My parents weren't aware of it, say, 20 years ago. But now you have Negro parents across the country who have become aware that you have white teachers, white principals, who don't really believe that their children are capable of learning, you know, and they have this preconceived notion about what Negroes are supposed to do, and they really couldn't conceive of preparing this child here in my class from Lenox Avenue, South Street, and Fulton, or 7th and T in Washington, to go to MIT.

It's just like, "Let's keep him quiet, keep him at the desk with his hands folded until we get him appointed to a job."

So you have people who have become aware of this attitude in teaching the Negroes and the Puerto Ricans, who are squawking, saying, "Let's get Negro teachers or Puerto Rican teachers who can see our children as people."

Some people say, "These people are qualified, they passed the State Teachers' Board," and, you know, "The teachers say—."

That's fine. Send Mr. Greenberg out to Flatbush to teach some of those kids, because I don't want my kids coming home every day with no homework, not knowing any more than they knew last week.

This is something that should have come about a long time ago, at least two decades ago, but the parents weren't that aware. And now that they are, everybody is saying, "They're crazy, they're crazy."

For the first time, they are farther from being crazy than they have ever been.

The **Chairman**: In fairness to the other witnesses who have to testify, we're going to have to expedite just a little at this point.

Mr. **Lawrence Davis**: Some reference was made to the Negro family and the lack of cohesion and the lack of tradition and so on. I don't think we go far enough behind this, and I think it's very relevant at this point, and that's the base of our society.

For 200 years the Negro was dehumanized by slavery. In the tribal society, there was tight family life, and the Negro male was the one that was sold and swapped from place to place. He was embarrassed, and he was taken down, and the Negro female became the head of the Negro family.

Now, for over 200 years, you see, all of the forces in fact have tended to degenerate or disintegrate the Negro family, and what Mr. Brown said is relevant, except we need to go back and understand this, that the Negro family is now in the process of being restructured and rebuilt. For 200 years, and 80 years after that, the Negro male was the one who was lynched and coerced.

That's what a man marching in Mississippi a few months ago said, that he's trying to prove the Negro male.

It is something that I think a great deal of attention needs to be given to when we begin to analyze and even criticize the Negro family and when we try to help the Negro family become reestablished. This isn't something that just happened. It is something that resulted from 200 years and more of dehumanization and desocialization on the Negro male.

Mr. **GALLEGOS**: I think the continuing poverty situation continues to contribute to this situation, and it is showing up in studies done on Mexican Americans, who have been looked upon as solid, cohesive families.

The Ford Foundation research data now reveals that divorces for native-born Mexican Americans is approximately that of the Anglo white population, and furthermore, nonlegal separations are higher than for nonwhites and Anglo whites.

The continuation of poverty creates that kind of situation.

Mr. **BROWN**: I'm certain there are many in the South who would view this as progress, because, if no less, they are assimilating the marital habits of the great white man. (Laughter.)

Mr. **RUDDER**: You said a while ago, Mr. Brown, that you didn't think anything would cure this but a lot of money. What is being done in the various communities, Negro or otherwise, for the people themselves to set up seminars or meetings or whatever you want to call it, to educate these people to their rights? And where they don't get trapped as the man you spoke of a while ago?

Mr. **BROWN**: There is a lot being done. It's like you'll find there are many multitudes of groups coming out in all the so-called deprived communities across the country, but it is always looked upon as a threat to the established political force. Any time you do anything in a poor community—you start a civic action group, and you educate people and you start telling them how to exercise their rights.

As long as you don't get any antagonism to the existing political structure—this is something I know. You start voting. We still have on the Lower East Side of New York City, we still have a well-entrenched democratic political machine. It consists mainly of Jews and Italians. For the past 15 years, this community has been predominantly Negroes and Puerto Ricans.

Now, as long as the Negro kids and the Puerto Rican kids were running around shooting each other in gang fights, that's okay.

A few years ago, Mobilization for Youth went down there, and they did some work—Jesse Gray, Arthur Miller, the playwrite, who is a very courageous and dynamic person, and they started talking to kids about putting on plays and writing and doing things constructive in the community, showing their parents how to vote.

And you know what happened to it? All the papers came out, the Daily News, all the tabloids, and the New York Times, came out and painted them red, and they were out of action inside of 2 months.

Mr. **HENDERSON**: I would like to make a quick comment, Mr. Brown. First of all, I think the question of Monyhan's thesis, I wonder if you would state what you understand what that thesis is?

Mr. **BROWN**: I think his thesis was that the Negro family is in a desperate situation right now for survival, and if we are going to do anything to contribute to the survival of the Negro family, and the construction of the Negro family, it's like the government has to take an all-out, overall onslaught on the Negro family, giving them money and jobs and so forth.

Mr. **HENDERSON**: There is nothing that can be done to correct the evil situation in the Negro community except to restructure the Negro family.

Mr. **BROWN**: Yes, that's it.

Mr. **HENDERSON**: I want to get it into the record. There are 19 interpretations of what Monyhan is talking about. He gives 18 of them. I want to be sure we are talking about the same thing.

We are talking about this family thing, and the only way, what he is saying in essence, the only way you can correct the problems that prevail in the Negro community, low employment, low income, poor education, poor health, all sorts of problems, is that you have to restructure the Negro family, and I don't know who in the hell he thinks he is that he can go around restructuring families.

We all face the basic problem of what you do about the solution. One of the points here is that some people ignore some of the basic possibilities.

For example, we have trends, we have certain historical developments that indicate that in the period between 1940 and 1955, considerable was done to stabilize the development of Negro families, simply because there were jobs available, among other things. It was just basic job opportunity.

Another point to be made is that in the push-pull effect of people migrating from rural areas to cities, as someone mentioned earlier, the gentleman from Campbell Soup, you have the problem of pulling people into these areas because of actual or imagined job opportunities, and the other point about being pushed out of the areas in which they presently reside.

The point is, the migration that is taking place, there hasn't been any indication of it going down, and the migration we talk about includes the urban areas of the South as well as other areas of the country.

One more point, and I have seized upon your speech, your testimony, to make a speech of my own——

Mr. **BROWN**: Have fun. (Laughter.)

Mr. **HENDERSON**: No one disagrees. Everyone understands we need more education, more of it; better training, more of it. Who is going to pay for it?

The **CHAIRMAN**: That is the next testimony.

Mr. HENDERSON: How are you going to reach the people?

Now, under present trends of education, it will be the year 2050 before the basic problems of rural poverty are corrected, if we rely upon education at the present rate. All I am saying is that while we receive testimony over and over and over about education and training as the basic vehicle, I just want to get into the record——

Mr. BROWN (interrupting): We need some testimony as to where we get the funds from.

Mr. HENDERSON: I've got that. I am going to put that in the record.

The CHAIRMAN: Thank you very much, Mr. Brown. We hope your book continues on the bestseller list, not only in order to make you money, but also for understanding of the problem.

Thank you.

Mr. BROWN: Thank you.

The CHAIRMAN: Mr. William F. Brazziel.

Mr. Brazziel is with the Norfolk Division, Virginia State College, Norfolk, Va., and he is going to talk about training programs.

STATEMENT OF WILLIAM F. BRAZZIEL

Mr. BRAZZIEL: Gentlemen, and ladies, it has been made very clear here today that our efforts to improve the quality of rural life must surely include the effective programs to train and place workers pushed off the land by consolidation and mechanization of farms. They must also include programs to assist rural youth to become well educated and well trained for commercial pursuits.

The quality of life in both our cities and our rural areas would be vastly different today if such programs could have been developed a decade or so ago. Cottonpickers, chain saws, and other farm machinery put the handwriting on the wall years ago; that is, farm jobs would be fewer, the unskilled must go.

The descriptive litany of this migration is familiar to all. The harshness of the movement on the families involved may not be fully appreciated, however. The unskilled of the rural area too often become the chronically unemployed or underemployed in the city. The close, warm, charitable rural family often disintegrates under the impact of the desperate struggle for survival.

Statistics regarding the decline in the farm population are numerous and can dull the senses. But if consideration in human terms is allowed, the toll in hardship and misery is illuminating indeed. The 41 percent decline of farmworkers in the 1950–60 decade, for example, means in human terms that in one southern State alone 158,000 workers could find no place in the farming community of that State and had to move on. Significantly, this State has one of the greatest concentrations of undereducated adults in the nation and one of the lowest per capita incomes. In one large northern industrial city there are now half as many in-migrants from this State as there are people living in the State.

The largest single movement of a people in the history of the country is being shouldered by those least equipped to deal with such a challenge.

Effective programs in rural areas to deal with this situation, it seems, should stress training for skills, education for migration, and possibly a small grant of money to assist in the migration process.

The cities might develop programs to meet the in-migrant at the gates of the city to offer assistance in finding jobs and housing, to adjust to urban life, and to use the resources of the city to educate their children.

Many of our present antipoverty efforts deal in a fashion with immigrants. They are doing a fine job. Efforts in skills and basic education training have often been spectacularly successful. The scope of the efforts must be far greater, however. The focus must be clearer.

Witness, for example, the highly successful efforts to retrain Macon County, Ala., workers by Tuskegee Institute. In a demonstration project supported by a grant from the Office of Manpower, Automation, and Training, Tuskegee trained, placed, and completed followup studies on 160 men from this county. All were heads of households with an average family size of five persons. There were about 600 or 700 people involved.

They were trained as brickmasons, carpenters, farm machinery repairmen, and meat processors. They also received basic education training and the benefits of a strong counseling program.

These men were placed on jobs paying an average of $2.16 an hour. The cost of their training, $1,500 each, will soon be repaid in taxes paid and taxes saved. Significant for the in-migrant cities to which many of these men came for jobs, they came as skilled craftsmen, earned their way, and maintained the family stability of their home county.

Our school was involved in a similar project. We had urban enrollees, many of whom were in-migrants. The results were as commendable, and I could go on with a long list of things which have been done.

The successes of these projects and others need to be replicated on a vast scale all over this region and in others. Every underutilized government installation could be pressed into service. The entire family could be settled onto a partly used or deserted army base and given this sort of training.

We are going to have to take some very bold steps, Dr. Henderson, and try to get this job done. Tent cities might well be utilized in some of the more remote areas. Many workers are practicing skills today that they learned under canvas while in the Army.

Some of the most pitiful destitution and suffering and hopelessness this country has ever known resulted the last two winters from dislocations of tenant families in our cotton States, families which were completely unprepared and unable to migrate.

Lack of money to travel, lack of knowledge of where to go or how to fend for themselves when they get there create terrified, paralyzed individuals wandering about in semishock and confusion, a shame on a great and powerful nation. These cases should be a first priority in any new programs initiated to improve the quality of rural life.

Programs to train the unskilled will require a decade at least to take up the slack. They should be regarded as temporary measures, however. For the long haul involving children and youth, the chance to receive a good education including skilled and technical training is the main hope of promoting rural development and of preparing youth who leave for urban life.

Education in this country is now our most precious commodity. To deny it to a child is to condemn him to economic genocide. As things now stand in America, the chance of a child escaping this genocide depends too much—far, far too much—on the circumstances of his birth. It depends on his race, his State, his school district and the quality of his teachers and administrators —just a matter of luck where you were conceived and born.

Every effort must be made to make educational opportunities more equal. Sometimes this is difficult. Witness for example the 35 counties in our State which, upon receiving the first payment of our recently enacted sales tax designed to improve local schools, proceeded to lower their own tax rate accordingly. Mediocre schools still, but now being financed with less local effort.

People can be brought to see, however, that education is the key. We should aim for K-12 systems in rural areas with buildings, equipment, and teachers second to none. If teachers must be paid more to teach in the more remote areas, we should pay them. If they need subsidies to keep abreast of their fields, we should provide them.

Access to a technical center, open from 8 o'clock in the morning to 10 o'clock at night should be the birthright of every boy and girl and access should be given to adults for this.

I also believe that programs should be developed to slow the migration to the big cities. Increased efforts to encourage industrial development in rural areas and small towns, efforts to make part-time farming more attractive, and an increase in the efforts to make it possible for rural youth to become established in farm-related industries will aid in the process.

Also, new payrolls in a community stimulate a considerable expansion in construction and service industries. They will also support new schools, hospitals, and cultural outlets.

The quality of this "agribusiness" way of life can be made quite attractive. It may be entirely possible to reverse the migration process and perhaps stimulate a considerable resettlement of rural areas.

I am well acquainted with a rural family headed by a very industrious man. He works overtime at the new furniture factory which came to the county seat, cultivates 10 or 15 acres of corn and soybeans, and raises and markets for breeding purposes purebred Hampshire hogs. In his spare time he repairs television sets.

This family lives in a remodeled farm dwelling with all the latest appliances and conveniences. Their family income exceeds the median income of skilled workers in a large industrial city. A new hospital provides medical care for the community. The high school will not prepare anyone for Harvard, but it is adequate.

Television brings in culture of a sort, the State capital is 100 miles away on the interstate highway. My friend's day might begin with a 4 a.m. squirrel hunt in the nearby woods and end with his family grouped in the smogless twilight to fellowship and end in a relatively stress-free day.

This quality of life is very good, and it goes without saying that the new plant made the difference. Without it, this man would have been a marginal farmer, his family beneath the poverty level. Incentives for industry to move into communities in this manner should be increased. This could be worked into our corporate tax structure. A tax incentive should also be included for firms which make a special effort to hire and train the unskilled and the so-called disadvantaged worker.

Efforts to improve the quality of life in rural areas are surely commendable. America could become a land with even more of its population crowded, uncomfortable and unhappy, into cities and urban-sprawl areas while its open spaces and brooks and streams, except for occasional vacation pilgrimages, become something to look at on television screens. The situations of rural people, rural poor people, could become even more severe.

The **CHAIRMAN**: Thank you very much, Mr. Brazziel, for that very succinct statement. It covers a lot of territory.

Do you have any comments?

Mr. **HENDERSON**: You are a professor of psychology?

Mr. **BRAZZIEL**: Director of education and professor of psychology.

Mr. **HENDERSON**: You have worked with these problems, and you had about the first MDTA project in the country.

Mr. **BRAZZIEL**: Right, we have a project to see if we couldn't train the hard core.

Mr. **HENDERSON**: And many of these people were in the rural areas outside of Norfolk?

Mr. **BRAZZIEL**: Who had just come to town.

Mr. **HENDERSON**: I want to bring out one point with this. In your first encounter with these hard-core recent migrants to the city, I wonder if you could describe to the Commission what you found. I think they are apropos training, and if you could give us a very quick statement about the encounters here.

Mr. **BRAZZIEL**: We had problems with communications, and finally found that we had to develop a method of actually getting to the type of individual we wanted. We didn't want the person who knows about such things, we wanted the reserved, withdrawn individual, who might not know.

So we had to get what we called a grassroots communications system to get to him—churches, lodges, bars, barber shops, and so on.

Number two, we found considerable disbelief among these individuals that this was meant for them, and that there was any hope that anything of this sort would ever come their way, because once we convinced them of this, we got many, many more people than we were able to train, and we referred many to, finally, to the Norfolk system for retraining, and they have been doing a fine job retraining about 500 people a year, which is very good.

I might add that we trained these hundred people for a year, and it is one of the most rewarding experiences that I have ever had, to be associated with them. We had them right on our campus, and not one single incident of any sort of disorder or misbehavior did we ever have, and I would say that these people would have been middle class—one lives down the street from me now. His yard and house look better than mine.

Mr. **HENDERSON**: How many of them did you place?

Mr. **BRAZZIEL**: We placed every one.

Mr. **HENDERSON**: They are still gainfully employed?

Mr. **BRAZZIEL**: Yes.

Mr. **HENDERSON**: This story is available in printed form. It should be available in the record.

Dr. **FORD**: I was going to ask if you have a report on this that you could let us have.

Mr. **BRAZZIEL**: Yes, Research Monograph 13, U.S. Office of Education. The Manpower Administration has several pamphlets, "Norfolk Manpower, One Year Later."

A piece of research we did corollarily, "Decisions of Workers to Retrain," and there we get into this communications factor.

The **CHAIRMAN**: Mr. Brooks?

Mr. **BROOKS**: I just wanted to comment. This worked out well in some of our areas, this part-time farmer. We have been able to create employment here, and when you put the two together, you have a relatively high income.

For instance, in the case of poultry, we have been able to put poultry on the small farm, but he could work in town here, maybe in our own plants. We would have our own processing plants of that kind, and part of the family worked there, and part on the farm, and between the total package the income went way up, and they lived on the farm and had the benefit of the space.

They weren't crowded into all the difficult situations. So it's a pattern that I think we need to look at very closely.

Mr. **BRAZZIEL**: Thank you. I think we should stress this in future efforts at the Department of Agriculture. If they put their mind to it—they put their minds to consolidating farms and making big farms. I think they could make it attractive.

The **CHAIRMAN**: Thank you, Mr. Brazziel. We are cognizant of the fine work you are doing in Norfolk, and we appreciate your time in coming up here.

Mr. **BRAZZIEL**: Thank you.

The **CHAIRMAN**: Thank you, again.

Mr. Paul Menk.

May I express the Commission's apologies for the transgression on your time? You were supposed to be on at 3:30.

Mr. **MENK**: It's quite all right, Mr. Stanley. I found the witnesses most interesting.

The **CHAIRMAN**: Mr. Menk is associated with the Association of State Planning and Development Officials.

What is your title?

Mr. **MENK**: I am the executive vice-president of the Association.

The **CHAIRMAN**: This is a very interesting area that you are testifying on, and we look forward to hearing it.

STATEMENT OF PAUL MENK

Mr. **MENK**: Mr. Chairman, and distinguished members of the

Advisory Commission, I am pleased at the opportunity to give you the views of the Association of State Planning and Development Agencies concerning the means of achieving "parity" for our nonurban citizens, who find themselves in "backwaters" of economic change.

Essentially these people are no more responsible for their economic misfortune than is the man struck by lightning. He just happened to be in the wrong place at the wrong time. So it is with our nonurban "poor."

One or two examples of economically displaced persons are probably in order at this time. There are two industries which have provided regional technological unemployment on a relatively vast scale. Both are American in heritage, and filled with nostalgia for literally millions of people.

The first is the railroad industry and the second is the coal industry. In a sense, for the people involved, both were ways of life and not merely occupations. Technological change put an end not only to the occupations but to the way of life. Now a man who has railroaded man and boy for 30 years is just a bit reluctant to change both his occupation and his way of life concurrently.

He resists, and the "backwaters" begin to form. Idleness is as much an acquired habit as smoking. If you keep at it long enough you find you are addicted to it. What applies to the railroad and coal industries also applies to timbering and a myriad of other mining activities.

Now, Mr. Chairman, these are your rural poor, as well as those who have been engaged in agricultural activities. Thus my justification for using the term "nonurban poor" rather than the rural poor. Somehow the word "rural" seems to have become associated with the farm, or agricultural poor. I would therefore make it quite clear that the rural poor include all those who were engaged in nonagricultural occupations, as well as those who were in agricultural or agriculture related occupations.

There is no group of people more interested in solving the problem of the nonurban poor than the 50 directors of State economic development agencies who comprise the membership, along with State planning directors, of the National Association of State Planning and Development Agencies.

It is their primary function to locate industry in those sections of their respective States where unemployment and underemployment flourish.

The staff of your Commission has quite appropriately asked me to give you reasons why industry cannot locate in depressed areas in some cases, why industry has been unsuccessful after actually locating in such areas, and how in many cases it has been able to locate, and why such locations have proved successful.

First and foremost of the reasons why industry cannot locate in underprivileged areas is the lack of water, sewers, fuel, and fire protection. If any one of these is missing, location is impossible. Water is number one among reasons why certain industries cannot locate in given areas. There are very few heavy manufacturers that can consider locations without relatively unlimited water available 12 months of the year at low cost.

Those manufacturers that require unlimited water also generally require unlimited sewage disposal facilities. So much for the first two reasons why nonurban plant locations fail.

Number three is power—gas, oil, electric, water, coal, or nuclear. Without unlimited power on a noninterruptible basis, and at low cost, nonurban locations also fail. Number four is transportation and/or geographical position. Most of the depressed area of our nation is relatively inaccessible, making it unacceptable for plants requiring heavy in and out shipment.

Now let's talk for a minute or two of the myriad of technical reasons rural or nonurban plant locations fail. Would you believe that inadequate fire protection ranks first in many cases? Would you locate a million-dollar plant where there was no fire protection or where such protection was totally inadequate? If you would, your insurance company will quietly demur from providing coverage, and your financing would go quickly out the window.

At this point let me say that the Economic Development Administration is doing everything within its power to remedy the lack of adequate sewer and water facilities in all areas eligible for loans or grants.

While it is true that the Economic Development Administration program has evolved into an almost exclusively public works program, this is the one sure road to success. Water, sewer, roads, airports, school and hospital facilities are all prerequisites to successful plant location.

Now let's talk for a minute or two about the fallacy that backwoods people don't care to work. Last year one of the nation's largest manufacturers of shoes was looking for a location with a large labor supply. They planned to employ 500 people to start.

A 3-hour labor survey was conducted in an Appalachian town of 3,100 during which 2,000 persons registered. It is doubtful that any urban area of the nation could register 65 percent of its total population for employment. There were two other factors in this particular location; proximately to a major population center, and a good community attitude toward the industry. The plant is now under construction and will open shortly.

Let's move on to another factor often present in a potential plant location, the availability of a 15,000 to 20,000 square foot building. In this case an electronics firm wanted to begin production at once in a particular geographical location equidistant from two other production centers with a limited-access turnpike between all three. Again an Appalachian town made the grade. In this case this company has already built a new plant and another company has leased the available building.

Now to some failures—all in Appalachia. The company involved is one of the world's largest manufacturers of sugarcane mills. The location failed because of inadequate utilities, fire protection, and poor community leadership.

Another failure in a town of 2,000 was occasioned by an inadequate supply of lumber from surrounding sawmills for a manufacturer of wooden crates, boxes, and pallets.

I will cite two more successful locations—again both in an underprivileged rural mountainous area:

(1) One installation employs 125 persons, manufactures steel conduit tubing for electrical wiring and was located in a town of

6,000. This was purely a transportation location as access to a navigable river was mandatory for the import of iron ore, and four rail lines out were required for the finished product.

(2) And last, but probably most important of all, was the location of half a dozen plants by the Douglas Aircraft Company in Tennessee, Arkansas, and Georgia. The decision to locate these component plants in Tennessee, Arkansas, and Georgia was based upon the desire of the company to aid the underdeveloped areas of those States by providing employment.

Four plants were located in Tennessee, one in Arkansas, and one in Georgia. This location of six component plants is one of the most fateful decisions of any American corporation. If successful, it may provide the key to the solution of the problem of the nonurban poor.

There is one further factor working in favor of the underprivileged nonurban or rural areas. America is reaching the point where she can no longer afford to concentrate most of her population on 1 percent of the land mass. Air pollution, water pollution, impacted traffic, schools, and parking are all expensive problems to be avoided. Ninety-nine percent of America's land mass is waiting to solve these problems without the expenditure of huge sums of money.

Britain and France have long since come to decentralization of all new industry. The concentration of population is no longer necessary as high-speed, limited-access roads move our people 60 miles in 55 minutes.

In preparing your report for the Committee, may I suggest that you include a recommenadtion that before any Federal installation is finally located, or before any Government contract is let, it be determined whether such installation or contract would contribute to the further impacting of urban areas already in a critical stage, and if such a finding were made, such installation or contract would have to be relocated or relet?

Time does not permit me to detail here all of the suggestions I should like to make for your report, but should you wish, I should be pleased to transmit them in writing.

If I may be of further assistance, please call upon me.

The **CHAIRMAN**: Thank you. I am sure the Commission would appreciate having any suggestion you feel should be included in the report in writing, and I would urge you to direct them to the Commission office.

Now, this is an area in which I have a personal interest, have had for a number of years, since I am from Appalachia, and I would like to have your reaction, brief reaction, to some of the problems that are developing, and some of the action that is being taken under present programs to try to meet them, correct them. But I have long felt that lack of planning, of course, was one of the reasons that my own State and others in Appalachia, and I suppose in similar areas across the country, were in the condition they were in.

Kentucky—there has not been enough planning. Now, under the Appalachian Regional Commission, there is a requirement that all States must develop State plans, and I think perhaps that if that were all that were required, that act, it would be worth a substantial amount of money that is being appropriated to fund it.

Would you agree that there has been a sad lack of proper planning?

Mr. MENK: Yes, I certainly would. I think you are aware of the fact that our State planning has evolved into a rather difficult, in a rather difficult manner. As you know, our State planning process began under Franklin D. Roosevelt in the early 1930's. At that time, there was a program created that produced in effect 50—I should say 48—State planning boards.

These boards were partially supported by funds from the Federal Government. The function of these boards was to attempt to do some State economic planning.

Now, unfortunately, the only experience we have in the world to date with so-called State planning has been of the Russian variety, the maximum attention has been given to the so-called Five Year Plan and the second Five Year Plan and the third Five Year Plan, and because of this, these boards were under rather severe criticism on the theory that really in a capitalistic system, in a system that we have, the State should not truly enter into economic planning.

Now, I think we all know that in our personal lives we plan for the education of our children, we plan for the purchase of an automobile, we plan for the purchase of a house. Our corporate planning is extensive. Corporations plan for increased capacity, for increased raw materials, sometimes as much as a hundred years ahead.

The steel industry, which I was formerly associated with, certainly has done a fabulous job of planning for its iron ore supplies. It knew that Mesabi Range was going to go out of production in a given period of time. It did exploration in Canada, and developed Venezuelan ore.

So that corporate planning is done on a rather large scale. I think if we don't do - - when I say planning, there is a great deal of difference between expediting planning and actually doing the planning. There is a great need for planning in the United States. It is being done by State planning agencies.

Almost nothing is being done at the Federal level, again because of this situation, historical situation, in which planning did have a handicap.

I think we have passed that stage now. I think most countries of the world have been doing economic planning rather extensively since World War II, and I believe that without successful economic planning you cannot really guarantee the future of your particular area.

Most countries in the world have come to have rather detailed economic plans, and in my reference to France and Britain, I might say that if you plan to locate a major installation in Britain or France, you must get the permission of the government as to its location.

Now, the only reason for that is to put the plant where it won't cause problems and it will solve problems.

It isn't any desire on the part of the national government to tell the industry where to locate. It is just an economic point from which an industry can be given the necessary facts to say, "This is a good labor supply area, this is a bad labor supply area, this is an undesirable location because of the character of your industry."

So that I believe if we are going to solve the problems of rural poverty, or nonurban poverty, we are going to have to do more in the area of economic planning at all levels of government.

The CHAIRMAN: Do any Commission members wish to inquire? Mr. Gibson?

Mr. GIBSON: Yes. If there were any detailing of your planning action, it would be most useful information, and if you could give us that——

Mr. MENK (interrupting): I can give you the necessary citations in both Britain and France for avoiding that sort of thing. I must say when you say anti-impacted, they are not thinking so much of what I was originally discussing, which was the population concentration. They were thinking strategically from a standpoint of national defense, for one thing.

They were thinking strategically from the standpoint of unemployment, but they weren't thinking about the impact, necessarily, of air pollution, water pollution, traffic, schools, and that sort of thing.

It is a little more basic to their security than anything else. However, it has all the elements in it that you suggest.

Mr. GIBSON: Fine. Thank you. We have had some discussion today with a couple of people about the necessary agent of economic bases, new town construction or large housing developments.

Some of these things may dovetail in time.

Mr. MENK: I didn't get the opportunity of hearing the testimony of the gentleman who organized Reston, Mr. Simon. I would have liked very much to hear him, because one of the problems concerning new towns, and Reston falls in this category, is the fact that there is a tendency on the part of the developers to build them exclusively in metropolitan areas—not in the city itself, but in the metropolitan area.

We only have two in this country of any size. One is Reston, and the other is Columbia, and its orientation is of a metropolitan character. It wants to take advantage of both the Baltimore and Washington areas.

Mr. GIBSON: He did go into that, and the reason behind that.

Mr. MENK: Yes. The only difficulty with that is that it really does have a tendency in the long run to further concentrate the population in the urban areas.

Mr. GIBSON: Could you give us some idea of any experiences which you would consider impressive or significant in terms of State efforts related to human resources development to accompany the industrial development?

Are there any significant inroads now undertaken on the State level that you would cite for our attention?

Mr. MENK: I'm afraid you would have to define for me —

Mr. GIBSON (interrupting): I mean manpower and vocational training and the preparation of the unskilled population for jobs that will be coming in.

Mr. Menk: Most of that activity has been a result of Federal activity, and not too much a result of States' individual activity.

States have engaged in this rather heavily, but largely due to impetus of Federal funds. In State governments, a great deal has been done in training and retraining, particularly in Appalachia.

The States themselves have been much interested in this. In the States of Kentucky, Pennsylvania, Tennessee, and one or two others, where the problem continues to be the economic dislocation of individuals resulting from the economic change, this is where your training and retraining has really been of some significance.

As I said, it is very difficult for a man who spent 30 years in the mine or 20 years in a railroad occupation to be told that, you know, he can't do this any more, it doesn't exist.

Mr. Gibson: I take it, then, that planning such as we now see in an impressive way in some instances is not—is about to occur with respect to human resources development?

Mr. Menk: I think it has, but it isn't very well formed yet. It's still in a rather nebulous state, and I think this is true, generally speaking, of State economic planning. It's in a rather nebulous stage yet.

The difficulty with economic planning is that if you—well, you can do all the planning in the world. I might cite one case. In the State of Michigan, the Upjohn Institute, and I think somebody was a witness from there, the Upjohn Institute did a survey in Michigan, in which it attempted to determine the future economic development of the State of Michigan in those occupations that would probably no longer exist, and they called it an econometric survey, which is basically a statistical survey.

I read the survey very carefully, and the best that you could come up with, I think, is a certain number of guidelines that you could get from it.

Like, for instance, it decided that the automobile industry—that there should be a maximum effort to diversify the economic life of the State of Michigan, because of its tremendous dependency upon the automobile industry.

Of course, a survey was made when the automobile industry was not functioning at the level it is today.

However, I thought that it was an excellent approach to State economic planning, or economic planning, if you will. I don't want to attach the term "State" to it, because it doesn't make any difference who does it so long as it gets done.

I think that type of survey and that type of work where we begin to ask ourselves where are we going, industry by industry, how many jobs will we require, what will be the character of the jobs, what kind of training will be required to fill the jobs—I am sort of a depression baby myself, and when I listen to some of the comments that have been made about education, I have to say to myself in the thirties—it's true today that everyone that is educated, that is aware of things as they are, probably did not suffer very much from economic dislocation—but in the thirties, everybody suffered from economic dislocation, because the economy was only operating at about 35 percent of what it had been operating at, and it didn't make any difference how well educated you were, you were still out with the WPA putting one brick on top of the other.

Now, hopefully, this would never happen again, but education in itself is not a solution to an economic problem, because if your economic system does not provide the jobs necessary, it doesn't make any difference how well off you are.

There was a period in the postwar period where there were a lot of Ph.D.'s walking the streets.

Mr. GIBSON: I have in mind a short-range problem that won't disappear in time. We find in much of the South, in the tobacco areas of North Carolina, where the sharecropping population is no longer as heavily utilized, and cotton areas, this population has very heavily migrated to some extent now, but this trend is starting to dry up. The people don't have the opportunities that they thought they were going to find, and some of that word is getting back, and we've got now some working-age people left in these areas without skills.

If we are going to attract industry into these areas, we have got to put—either bring in new people to go to work and leave this unemployed population—we've got to get them trained and put in.

It seems to me that will entail networks of training facilities that will take them from literacy into specific vocational things that will somehow be conjoined to industrial areas.

Mr. MENK: An interesting example of that is Puerto Rico. There is more out-migration from New York to Puerto Rico than the other way around. That is because there is employment available in Puerto Rico that was not available when the people went to New York.

If groups like this Commission and groups like the Committee will make the necessary recommendations and effort, this can be engaged, as Orville Freeman, Secretary of Agriculture, told you, this isn't a question of sending everybody back to the farm, because there is no place to go, occupationally, back to the farm.

But I don't know whether we should spend perhaps $100 million a year to solve problems of air pollution, water pollution, traffic impact, and that sort of thing, for our cities when there is a better way of handling it, and there is less reason for population concentration today than there ever has been in the history of the nation.

There was a time when transportation facilities were not present, where it was important. There is literally no reason to go to the city any more, because if you live as far as a thousand miles away from a metropolitan area, in an hour and a half by jet you can be in the city, and if you have your own automobile, in a matter of perhaps 16 or 18 hours you can be in a metropolitan area, so if you want to spend a few days in New York, taking advantage of what it has to offer, or Chicago, or San Francisco, or Atlanta, or anywhere else, you can do that, and you have all the cultural advantages of a large city which you wouldn't have where you live, and at the same time you have all the advantages of a nonurban home, or a nonurban environment.

I think that I was born and raised in the era in which the suburbs began. They began to evolve in the 20's. Suburbs began in post-World War I, and they began for a real simple reason. People were anxious—and by suburbs they were thinking of 5 to 10 miles out—people went out to the suburbs and had a little grass, a place to send their children in a semirural environment — that's why they went out there.

They didn't go to escape anybody, or leave the sidewalks for any particular sociological reasons. They went because they thought there were more advantages for children in an environment where they thought they could play outdoors, do that sort of thing. So this transition that we see today goes back into this period, and I think that today there is a very good reason why we don't need large population concentrations to the extent that we seem to be getting. There seems no reason for it.

The CHAIRMAN: Mr. Menk, that is about the note we began on this morning, so I think it is perhaps a good place to end this evening.

Mr. MENK: Thank you for your patience. As I say, I really believe, and I hope that the work of this particular Commission has been such that we can make a start on dealing with, I think, a very simple proposition, and that is that we don't have to continue to have our population centers grow to the point where we further complicate what we already have.

(Whereupon, at 6:15 p.m., the hearing was recessed until 9 a.m. on Friday, Feb. 17, 1967.)

February 17, 1967

The CHAIRMAN (Mr. Henderson): If the Commissioners will come to order, I believe that we will start our sessions.

This is the third day of the hearings in Washington, and I know that the weather out there is bad, and in Washington, D.C., when the weather is bad, rain or snow, everything goes out of kilter, and there is not much reason to wait for an audience when the Commissioners are here.

We are apt to be waiting for some time, and we do have a schedule of persons with very tight schedules themselves, and if we get too far behind we might find ourselves shortchanging the individuals as well as our own interests.

Our first witness this morning, or person to bring us testimony, is Assistant Secretary Harry R. Anderson.

Secretary Anderson is from the Department of the Interior, and we are very happy to have you with us, sir. I think you know the nature of our Commission and our procedures, and we will ask you if you will give us a statement and then, after your statement, if you would let us raise questions for clarification on some points.

We are happy to have you with us.

STATEMENT OF HARRY R. ANDERSON

Mr. ANDERSON: Thank you, Mr. Chairman, and members of the Commission. I am here in place of Secretary Udall, who had planned on attending. Secretary Udall is very much interested in this plan. As you know, he has just returned from a 2-week trip to the Middle East, and upon his return he found himself with a very crowded calendar, and found it impossible to be here.

We have prepared a report that will be distributed, and I will work from this report, reading part of it and ad libbing some, and I will be happy to answer any questions that I am able to at the end of the meeting.

Some may wonder why the Department of the Interior is concerned with the problem of rural poverty. The answer is easy. The Department of the Interior's concern is with some 380,000 Indian people living within reservations in the State of Alaska.

I mention Alaska especially because very few "reservations" such as we have in 23 other States have ever been established in Alaska.

A few Indians—as tribes or as individuals—have received spectacular income from gas and oil, or other minerals, or from commercial leases on their land. But these are the rare exceptions. Most Indian people are still among the most poverty-stricken groups in our society.

The median Indian-reservation family income is $2,000, only two-thirds of the $3,000 now being used roughly to designate the poverty line. Not more than 25 percent of reservation Indian families have an income that exceeds $3,000.

While unemployment in our nation's labor force now stands at about 4 percent, unemployment in the Indian labor force is estimated at 40 percent and above—10 times as severe as for our total labor force. Because of limitations of skills and work experience, much of the employment available to Indians is either temporary or seasonal. Their remoteness from areas of employment contributes to that.

Poor economic status begets poor housing, poor health, and deficient community life. More than half of the Indian people live in one- or two-room dwellings. The average number of occupants per dwelling unit is 5.4. More than three-fourths of the housing is substandard in terms of space, potable water, waste disposal, structural condition, and heating.

Seventy percent of the domestic water supply comes from sources in which contamination exists or is a serious hazard. Much of it is hauled or carried from a distance.

In such housing, you can appreciate, maintenance of good health is difficult if not impossible. The infant death rate in 1963 wa 43 per 1,000 live births—against 25 for the nation as a whole. Infant mortality has declined remarkably since 1954, but it is still excessive.

The death rate from communicable disease is falling, but is still much above the national average. Active tuberculosis cases —the major cause of death 15 years ago—now rank ninth.

The incidence of heart disease, however, is less than half that for the nation's population as a whole. The comparatively smaller proportion of elderly people in the Indian population would, in part, account for this. We have a young population on the Indian reservations for the most part.

Indian people are predominantly rural. But they are not remnants of a "vanishing race," as some persons have been led to believe. In fact, the Indian population is increasing.

Reservation population is increasing at a rate between 1.7 and 2.0 percent a year, slightly higher than that of the United States as a whole.

During the decade, 1950-60, the number of Indians living in urban and nonfarm areas increased and the number dependent on farming and ranching declined. But no State showed a decrease in Indian population. Out-migration is now tending to stabilize reservation population in some areas. But in Arizona and New Mexico, reservation population is still increasing—the average annual increase rate is at least 2.5 percent.

Many older Indians do not speak English. It was estimated in 1959—I appreciate that is 7 or 8 years ago—that 12 percent were illiterate. Educational opportunities are improving steadily, but they are still well below the national average.

During the 1964–65 school year, 61 percent of the Indian children in the 6- to 18-year age bracket attended public schools and 32 percent were in Federal schools. But the number completing high school—less than 40 percent in 1959—is far below the national average of 60 percent. They do attend the elementary grades, but there is a dropout, and as a result we do have a lower high school graduation percentage.

Now I would like to discuss what is being done. Thirty years ago the Department of the Interior did begin to attack the problem of Indian poverty through the Wheeler-Howard (Indian Reorganization) Act of 1934. New thought was given to educational programs, to the development of tribal resources, to the strengthening of tribal organization, and to the establishment of tribal economic enterprises.

That was 30 years ago. That might raise a question of why do we have this situation today. The best I have been able to determine is that most of the progress has been made in the last decade with respect to schools.

Today, there is a seat for every Indian child in the school. This was not true a number of years ago. However, what we need concentration on now and what the Bureau is giving immediate attention to is quality education, and assistance is being received from the Office of Education in this respect.

These are not inert masses of people. Quite the contrary, they are people who respond quickly and intelligently to assistance offered them. The success of particular programs is evident not only by the numbers who participate, but also by the enthusiasm and acceptance on the part of Indian people.

I would like to relate the Federal expenditures on behalf of Indians. In fiscal year 1966, a total of $352 million, made up of Bureau of Indian Affairs, $215 million; Office of Economic Opportunity, $42,800,000; Economic Development Administration, $2,100,000; Division of Indian Health, $75 million—some years ago the health services were transferred from the Bureau of Indian Affairs to the Department of Health, Education, and Welfare; Department of Labor, $240,000; Housing Assistance Administration (HUD), $17 million.

I merely bring this out to show that there are substantial sums being spent on the Indian program.

On education: The largest single Federal expenditure is that devoted to education. The bulk of this outlay goes for operation of schools under the administrative jurisdiction of the Bureau of Indian Affairs.

In the school year 1965–66, there were over 151,000 Indian elementary and high school students enrolled in States where the Bureau conducts school programs. Of this number, some 54,000 were in Bureau schools and the remainder in public schools—with a few in private schools.

In 1966, there were 254 Bureau-operated schools. Of this total, 81 were boarding schools where Bureau personnel supervised both the classroom and the nonclassroom activities of the youngsters. We do have a number of boarding schools because of the remote areas where many of these Indian children come from. It's not possible to have a school in many of the areas where they can commute daily on account of the spreadout remoteness of their location.

The Bureau operates a few summer programs for preschool youngsters. However, the bulk of the preschool activity on reservations is at present funded by the Office of Economic Opportunity —which in fiscal year 1966 spent slightly more than $5 million for this effort. The OEO does not operate kindergartens, but makes grants to tribal community action programs for this purpose.

Nearly 2,000 Indian college students in 1966 benefited from the Bureau's scholarship program. Funds totaling $1.4 million were distributed in grants averaging slightly over $700 per individual.

Both the Bureau and the Office of Economic Opportunity help to provide special training for Indian adults. The Bureau budgeted $1,105,000 for this activity in fiscal year 1966 and the Office of Economic Opportunity $470,000. This program includes training in reading and writing for illiterates and near-illiterates, instruction in money management, rehabilitation, arts and crafts training. These are the adults, people who have left schools, and they are in the age bracket where we feel they need some attention to help them in their future employment.

In 1952, the Bureau undertook a national program of "relocation" assistance to those Indians who wanted to seek employment away from the reservation.

This assistance is provided to heads of families and their dependents. It includes transportation, subsistence grants prior to the receipt of a first paycheck, and counseling and guidance in adjustment to an urban community.

From the start of this program through fiscal year 1966, a total of 25,902 single persons or heads of families were assisted in going directly into employment.

During this same period, 14,460 single persons or heads of families were helped to enter institutional training—in other words, giving them the indoctrination and then moving them into a training program.

Some relocated Indians give up their jobs and return to unemployment on their reservations. We don't have 100 percent success on the out-migration; but after some of them have returned to the reservation, they apparently think it over and come back again and get into the employment market.

But it is not all lost, because the ones who do return and stay become better leaders. They are better equipped to work on the reservation and therefore make their contribution, so, overall, we feel that it is a good program, although 20 percent do return to the reservation.

But for all that has been done, it is not enough. The program is reaching only about 10 percent of the unemployed each year and new young adults continue to join the job-searching ranks. There are today more than 55,000 Indians out of work—we need to find job opportunities for them, improve their skills, so that they can find their place.

At the present time, institutional training is provided at 353 accredited schools in 867 approved courses throughout 26 States.

On-the-job training is now provided under 32 different contracts with industry on or near Indian reservations in 13 states.

The Bureau started in the last year several new programs. For example, we leased the Madera, Calif. airbase, and in contract with Ford-Philco, they are engaging in a program of bringing in people from the rural poverty areas and just giving them elementary training, education to fit them into job skills. It's a family approach. They are bringing in the entire family. It's an expensive program.

On the other hand, when you measure this in terms of what it means to keep the same family on welfare, we feel that in the long run it will pay off.

It is our view that insofar as possible Indians should have the same relationship to public welfare agencies as non-Indians, and that public welfare agencies should have the same responsibility for providing services and assistance as they have for non-Indians in similar circumstances. It is recognized, however, that there are certain services required by some Indians which are not provided by the State and local welfare agencies, and the tax-exempt status of Indian lands does affect the ability of some States or local governments to meet the needs of Indians—particularly if Indians constitute a considerable part of their population. That's why we have the Federal assistance to the Bureau of Indian Affairs.

During the fiscal year, the past fiscal year, general assistance was provided to an average of over 20,000 Indians per month, with a peak of over 29,000 persons receiving assistance during February 1966.

The Social Security Act requires, as a condition of State eligibility for Federal grants-in-aid, that public assistance programs (old age assistance, aid to the blind, aid to families with dependent children, aid to the permanently and totally disabled, and so forth) be available for all needy State residents on the same basis. This includes Indians on reservations.

Statistics regarding recipients of the public assistance programs are not separated by race, but fairly reliable information secured informally in June 1965 from State and local welfare departments indicates that approximately 68,000 Indians, living on or immediately adjacent to reservations, received this assistance.

Now, something on housing and community facilities: The houses of Indians on reservations and in the native villages of Alaska are generally the poorest to be found anywhere in the country. Of the 76,000 Indian houses in those areas, a 1966 survey indicates that 57,000, or 76 percent, are substandard and grossly overcrowded.

Of these, some 41,000 are too dilapidated to be worth repairing, and should be replaced.

Under the public housing program of the Housing Assistance Administration, 80 Indian tribes have established housing authorities and applied for assistance to build some 5,400 homes—about equally divided between the standard low-rent type of project and the mutual-help type.

This is a program that I feel will be kept moving and should be expanded. In the mutual-help type, the Indian families contribute their labor and land.

The Housing Assistance Administration has committed itself to finance 2,200 low-rent units, 757 of which have been completed; 412 units are under construction. Average cost has been about $17,500 per unit. We also have another program we refer to as a mutual-help program, in which the tribal housing authorities build these homes where contributed labor on the part of the Indians results in a downpayment in order to assist in acquiring a home.

The total cost to the Government is averaged in these houses at $9,300 per unit, and the participating families have contributed labor and lands at about $1,600 per unit.

Because of the standards of size and construction details set by the Administration, the houses have taken longer to complete than was originally hoped. Most of the heads of families that have participated have seasonal or regular jobs so that the time they are able to work is limited, usually in the evenings or on weekends.

In the last 4 fiscal years, the Bureau has had a total of about $3 million which has been used to build 368 new homes and for rehabilitation of 161 others for some of the most seriously disadvantaged families. As a total need, we are really only scratching the surface. Housing, therefore, is a challenge.

Grants for community centers: Through the accelerated public works program, from 1963–65 an estimated $1,800,000 was provided by the former Area Redevelopment Administration for the construction and/or improvement of approximately 70 buildings and community centers on Indian reservations. A few parks and playgrounds in Indian communities were also developed and improved through this program.

The Department of Housing and Urban Development has made a few grants to assist in the planning and construction of community facilities on about a half dozen reservations.

The Division of Indian Health, United States Public Health Service, has the responsibility to provide for the health needs of American Indians, including the Alaskan natives.

The Division provides a full range of curative, preventive, and rehabilitative health services, including hospitalization, outpatient medical care, dental care, nutrition and health education, and environmental health services, plus construction of water supply and waste disposal facilities for Indian homes and villages, and training in their use and maintenance.

Services are provided by public health nurses, nutritionists, health educators, social workers, and sanitarians through home and community visits, and for community education in health and disease prevention. School health programs and health services are provided students in Bureau of Indian Affairs boarding schools and day schools.

The Division operates 47 general hospitals with 2,587 beds and 2 tuberculosis hospitals with 410 beds. About 1,000 beds are available through contractual arrangements with community general hospitals and State or local government tuberculosis and mental hospitals.

More than half of the contract beds are in general hospitals. The average daily census in hospitals is: general, 2,381; tuberculosis, 536; neuropsychiatric, 210. Each Indian hospital provides outpatient service. In addition, there are 46 separate health centers or clinics, including 16 in the Bureau of Indian Affairs boarding schools.

Indians own a lot of land, either tribal ownership on reservations or allotted lands to individuals. Much of these lands are marginal, but there is also very valuable land, agricultural land and grazing land; and in many of the areas now, population centers are growing for the reservations, and these lands are becoming interesting for subdivision and industrial development.

In Scottsdale, Ariz., and in other places, these Indians are becoming—these Indian lands are becoming valuable, and on long-term leasing programs much can be accomplished in this area in industrial expansion, which should result in more and more Indian jobs.

As trustee for Indian lands, the Department of the Interior through the Bureau of Indian Affairs provides a wide variety of services relating to land and other natural resources.

Individually owned Indian land allotments may not be leased, mortgaged, or sold without the consent of the Secretary of the Interior; and tribal land, while susceptible to lease with the Secretary's consent, may be sold or mortgaged only by a special act of Congress.

They in turn become workers on these farms. However, with the mechanization of agriculture, you can all appreciate that the job opportunities become less and less in many areas.

On Indian reservations, there is also considerable cattle ranching. Indians as a group in many areas take to cattle ranching more than they take to diversfied farming operations.

Water and irrigation: The Bureau has a responsibility to help Indians secure and protect their water rights, as well as to supervise, operate, maintain, develop, and improve Indian irrigation projects and related power systems. There are at present about 60 irrigation projects and 3 power systems on Indian reservations.

Much of the Indians' income from resources comes from the development and sale of minerals. For the fiscal year 1966, $43.6 million was received from mineral leases, royalties, and bonuses. The Bureau has on its staff in the central office and at select field locations mineral leasing and evaluation technicians.

In addition, technical assistance is furnished by the Geological Survey, which budgets about $531,000 for this purpose. Some service is also performed by the Bureau of Mines, particularly in the field of safety.

There are increased mining operations of coal. This has, in turn, given opportunity for employment.

On forestry: Roughly one-third of all Indian reservations are forested. This is, however, in the Northwest and in Arizona, California, New Mexico, and Montana, and the timber operation does afford considerable employment to Indians. In fact, nine tribes operate sawmills on their own.

Indian forests are managed by the Bureau in accordance with principles of sustained-yield, and allotted timber "upon a consideration of the needs and the best interests of the Indian owner and his heirs." Just under 90 percent of the area—as well as the volume—is tribally owned.

The harvest from Indian forests in fiscal year 1966 was 848 million board feet with stumpage receipts of $14.3 million, the highest of record.

An additional 111 million board feet were cut under Indian free-use permits for fuel, house logs, posts and poles; the present estimated annual allowable commercial cut is 1 billion board feet.

Indian tribally owned sawmills are located on the Fort Apache (Arizona), Navajo and Jicarilla (New Mexico), Blackfeet (Montana), and Red Lake (Minnesota) Reservations. Independent Indian loggers operate on the Colville, Flathead, and Cherokee Reservations, and on reservations located in the Lake States.

The Warm Springs Indians in Oregon are presently considering establishing a fully integrated timber-processing complex to process their timber.

Timber harvests and forestry programs are an important source of employment on many reservations. Every million board feet of timber sold creates from 5 to 10 man-years of employment directly in logging and primary manufacture.

Using an average figure of seven men per million board feet, the 1966 harvest involved about 6,000 jobs, most of which are on or near the reservations. Indians are increasingly taking advantage of these jobs. A survey in 1964 showed 2,300 Indians with permanent jobs and more than 1,000 Indians working on seasonal or short-term jobs. In addition, over one-third of the permanent forestry program staff and over 90 percent of the seasonal staff are Indians.

Another area is commerce and industrial development: This is an area that I feel has great potential and is going to continue to grow. The program has not been in operation too long, but we do have industrial activity, from factories to assembling transistors.

Some of the wildest and most beautiful country in the United States lies within the boundaries of Indian reservations. However, Indians are only beginning to realize that scenic beauty and wildlife are resources of considerable value.

The Bureau of Indian Affairs, the National Park Service, the Bureau of Outdoor Recreation, and the Fish and Wildlife Service extend to Indian tribes some of the technical services of their agencies; and certain of the conservation activities of the Job Corps and the Neighborhood Youth Corps are helping to provide much-needed tourist facilities in reservation areas. However, this is an area of potential income development which is only beginning to be exploited.

The Bureau of Indian Affairs maintains an industrial development program, to assist tribes in obtaining new opportunities for employment and income by development of nonagricultural activity, such as light manufacturing, processing, assembly, and service and commercial ventures, including tourism.

The Bureau's Branch of Industrial Development was established in 1957 when it became increasingly apparent that:

Indian reservation population was increasing steadily;

Far more Indians were living on the reservations than the land could support;

A high percentage of the Indian work force lacked occupational skills;

Widespread poverty persisted on many reservations.

In many Indian areas that have the capability of supporting viable nonagricultural enterprises, the people frequently lack the knowledge of how to describe their resources in a manner that will attract investors.

In some cases, they lack the understanding of how they can establish enterprises of their own. To overcome these handicaps, the Bureau provides the following services and assistance:

Establishing effective tribal economic development committees;

Designing plans and programs for orderly development, and integrating tribal effort with that of neighboring non-Indian communities;

Establishing local development corporations to facilitate participating in State and Federal funding programs;

Advising on zoning and selection of suitable sites for commercial and industrial development;

Compiling data on human and natural resources and their feasible utilization;

Determining availability of public services, such as water, sewers, electricity, gas, transportation; and presenting these data in an attractive manner;

Programing and utilization of loan funds, judgment awards, and other tribal monies, dedicated to economic development purposes;

Soliciting, contacting, and negotiating with prospective investors in enterprises that will provide employment opportunities to the reservation community.

Industrial activities—ranging from snelling fishhooks to assembling transistors—are providing a wide variety of work experiences for Indians and diversification of the economy of Indian communities. Indian tribes, investing more than $12 million of their own funds, have succeeded in attracting another $60 million from private investors for the development of industry.

The 82 companies in operation and 11 with facilities under construction on or near reservations, as of June 30, 1966, provide a potential annual payroll of more than $17 million for nearly 7,000 workers. The largest plant, Fairchild Semi-conductor, located at Shiprock, N. Mex., employs 450 Navajo Indians. The average plant employs 59.

Thirty-two formal tribal development programs have been formulated, 46 tribal development committees have been organized, and 66 local development corporations or foundations have been formed, most having both Indian and non-Indian sponsors.

Various tribes have established enterprises such as the tourism complex at Warm Springs, Oreg., the modern timber processing facilities at Navajo and Fort Apache, Ariz., fisheries and stores in Alaska, and various craft guilds.

Although the potential requirements for employment and the opportunities are not fully known, current Bureau programing envisions the need for 4,100 new jobs annually, with 70 percent in industry and the balance in commercial operations. This is projected to accommodate about 25 percent of the new work force and to provide 2,000 jobs for the presently unemployed.

Another program that the Bureau has started is to try to do something with the large families. Now, the large families at times are the poorest. They have their problems. You get a family of seven or eight children, and even if the family wants to move off the reservation, if the head of the house or the work force is unskilled, the salary or paycheck that they can take home is not enough to pay the rent and the grocery bill.

Therefore, we have started a program for subsidizing them for a number of months until they can improve their wage scale. This is a pilot program, and we don't know how it is going to work out, but it appears to have potential.

A large family off the reservation, they are probably on relief. We try to get them into the labor market. If you have to subsidize them a few months, it will be beneficial.

We have also opened up two new Indian employment centers in Oklahoma. We try to bring the Indians in and then make contact with industry and give them some indoctrination and rehabilitation—not necessarily rehabilitation, but to acquaint them with what is required on the job and sort of make the transition that much easier.

The same thing is taking place at Seattle. We bring people in from Alaska—in this case, just making them aware of what it is to live in a metropolitan area, a city—such things as the use of a telephone, riding a bus, and just getting around in a metropolitan area. This is a transition that is very important. It makes a great deal of difference as to a person staying on a job, if he's given some indoctrination, just making him acquainted with the new way of life.

As most of you know, we have a new Indian Commissioner that was appointed less than a year ago. He is Robert Bennett. He is himself an Indian, and he was sworn in by President Johnson. He was given a mandate, and I would like to read what President Johnson said:

> . . . the time has come to put the first Americans first on our agenda . . . I want you to . . . begin work today on the most comprehensive program for the advancement of the Indians that the Government of the United States has ever considered. I want it to be sound, realistic, progressive, venturesome, and farsighted.

Secretary Udall met with the tribal leaders in Santa Fe in the same month and pledged his support to quicken the pace of Indian progress and called for revitalization and reinvigoration of the Bureau of Indian Affairs.

In the months since these statements were made, the Bureau has undergone a major reorganization aimed at increased efficiency and a new approach to Indian problems.

The day of wardship status for American Indians is past. Both the Secretary's office and the Bureau emphasize increased involvement by the tribes in the management of their own affairs, and not to consider them wards to be led around, but to get them to participate actively in the operation of their own resources, as far as management of their timber, their farming, or what have you.

We have had a series of conferences with the Indian representatives throughout the country. In fact, they are having a meeting in Kansas City today with the Federal Department of Labor, and the Indian leaders are there to try to work with the Department of Labor and see how much help the Department of Labor can be in training programs and to assist the Indians.

Within the Bureau, we have a new team of Assistant Commissioners. We went out and we recruited a new education man, Dr. Marberger, from the Detroit schools, and he has taken his job very seriously.

He is approaching the job in an aggressive fashion. I think we are going to have a new look in education, especially to concentrate on quality education to bridge the gap for these Indian youths who actually start school disadvantaged.

We also have an Associate Commissioner, Mr. Carmack, in the area of economic development and opportunity, community relations. Mr. Carmack has had considerable experience in this area and we are pleased with his aggressive approach to his job.

We also stepped up our Bureau liaison with other Federal agencies that are in the general programs that can be of great help to the Indian people. We have associated ourselves in meetings with the Labor people—for example, I mentioned the meeting in Kansas City, and with HEW and the Department of Agriculture; we are trying to contact and work with the other Federal departments in the overall general welfare in support of programs.

We are attempting to focus our attention on every front we can to try to break this cycle and to fit the Indian more and more into the program of the American mainstream of life, to get him on the payroll, to find him jobs, and get him into the full employment market.

That concludes my statement, Mr. Chairman.

The **CHAIRMAN**: Thank you very much, Mr. Anderson. We appreciate very much this statement.

He has brought along a number of copies which will be available.

Just for the record, you are the Assistant Secretary; are you particularly related to the Bureau of Indian Affairs?

Mr. **ANDERSON**: Yes. The Bureau of Indian Affairs reports to me.

The **CHAIRMAN**: So you in essence have supervision over their work.

Mr. **ANDERSON**: Yes, sir.

The **CHAIRMAN**: I noticed Dr. Roessel's hand.

Mr. **ROESSEL**: Mr. Anderson, I would like to ask several questions. First of all, perhaps I misunderstood you. I believe you made the statement that there is a seat for every Indian child in school.

I remember reading in the Window Rock office the statistics put out by the Bureau of Indian Affairs which indicated that there were some, close to 5,000, children 6 to 18 that are not in school.

So I wondered if I misunderstood you, because that was the most recent figures BIA has put out.

Mr. ANDERSON: There is a seat for every child of school age.

Mr. ROESSEL: Then why are there 5,000 out of school?

Mr. ANDERSON: Was this a recent report?

Mr. ROESSEL: Yes.

Mr. ANDERSON: From 6 to 18 might reflect the dropouts.

Mr. ROESSEL: I am not quite sure that everyone would agree that there is a seat for every child of school age. If these 5,000 were to show up—maybe they won't—but there will not be a seat for all.

I would like to make a statement that I think relates to what you are saying, and which I think everyone is supportive of.

You point out to bring the Indian into closer operation of his own affairs, and in this light, I wonder if you would care to comment on what action the Department would take: Presently, as you know, there is the Omnibus Bill that is being discussed across Indian country. The Bureau and Department of the Interior is going around the country to talk about this piece of legislation, which might also offer a great deal of hope for the Indian people.

If the Indian people were to reject this, and if you listen to late reports within the last few hours from Kansas City I am sure you will agree that there seems to be a great deal of criticism on certain parts of the Omnibus Bill, but just for the sake of argument, if the Indians were to reject the Omnibus Bill, would the Department of the Interior support that decision taken by the Indian people?

Mr. ANDERSON: This is a position we haven't assessed yet. We did meet at the Bureau 2 weeks ago in Washington. There were a number of tribal leaders in. They are also discussing the same subject at Kansas City, and as I understand, they were going into a meeting last night and today, and I don't know what the outcome will be.

This is a program which has been discussed for a number of months, and it's true that there has been some question raised.

I think most of it reflects something like this, though, that the Indian people want to take—they want to evaluate it longer. They are not ready to buy it right now. I don't feel they have rejected it.

Mr. ROESSEL: I'm not saying they have, either. I'm saying if they do, a hypothetical question, if the Indian people do, would the Department respect the statement you have just reflected in terms of allowing the Indians to make their own decisions, if they were to?

Perhaps they never would.

Mr. ANDERSON: Well, as far as allowing them to make their own decisions, this is something they do today. We are not forcing things on them. You have to work with the people.

Mr. ROESSEL: No. What I am trying to get at is, if the Indians were to say no, whether it is the Omnibus Bill or something else, would you then say, "All right, the Indian people say no, so in keeping with our philosophy that Indians must be involved in the decision-making process, and the fact that the Indians have rejected this, we will try to work out something else?"

This is what I am getting at.

Mr. **ANDERSON**: Yes, I think we would have to consider all alternatives. I don't think we can force things on them against their will.

Mr. **ROESSEL**: One final question: You mentioned that the level of Indian health evidently improved in the last 10 years, and I point out there was a transfer of Indian health to HEW at about that time, and you point out figures to show this improved health picture of the Indian.

What would be your position with regard to the possible transfer of the Bureau to HEW?

I heard one Indian make this comment, that they would like to be in an organization where the Indians as people were the main thrust, and not inanimate objects.

Of course, you and I would disagree with that rather superficial analysis, but what would be your reaction to it? Evidently you feel there has been an improvement in Indian health by a transfer. What would be your position on this argument?

Mr. **ANDERSON**: What I meant to say was that the Indian health people in the Department of Health have done a good job and have upgraded the overall health of the Indian. They do have a sizable program, a number of hospitals, and Indian health today is better than it was a number of years ago.

Getting back to your question about the transfer of the Indian Bureau to HEW, I would prefer not to comment at this time. This is something that is being discussed, you appreciate, and it is common knowledge.

The **CHAIRMAN**: Is there anyone else on my left who would care to comment?

Mr. Brooks?

Mr. **BROOKS**: It seems to me that one of the significant things you said was that you had been able to find employment outside, and to those of us who are not too knowledgeable in this field, but only go to some of these reservations, it seems that it would be highly desirable to get some dispersement of the group out into the mainstream of our society, which is highly desirable, and even though you have had a 20 percent failure, it seems to me that 80 percent is terrific, considering everything involved.

Now, the other question—that was comment. The question I wanted to ask is how successful have the businesses been when they put plants in the reservations? How successfully are they working out?

Mr. **ANDERSON**: To the best of my knowledge, they have been successful. Of course, there have been some failures of small plants, but the Fairchild Semi-conductor people, I understand, are very well satisfied with the Indian workers.

The Indians are good at doing things with their hands, and the BVD people ran a number of tests, testing their efficiency on sewing machines, and after these tests they decided to move to Winslow and employ the Indians.

Mr. **BROOKS**: The reason I am familiar with that project is that we do a good deal of business with the BVD people. (Laughter.)

We sell them cotton. So we were doing some work and survey out there for them. We have some operations in Arizona, and we were looking at it and helping them work some on it.

But one of the things that disturbed me 2 or 3 years ago, a group came to us in Arizona and wanted us to take over a sawmill operation there that had gone into receivership. We felt that it was out of our field. We are quite diversified in the agricultural field, but we felt we were out of it; but our check indicated that either it was poorly organized, or poorly managed—we didn't know which—and we were wondering whether the fact of the Indian labor had anything to do with the fact that the plant did go broke, whether it was purely management, or whether it was some productivity per worker, and that is the reason that I raise the question of what the productivity per worker had been where plants had gone on the Indian reservations.

Mr. ANDERSON: I'm not familiar with the details of the particular plant you mention, but I feel that the Indian operations are no different than our operations, or my operation. We get back to supervision and management. Now, in this particular case, I don't know if it was due to management or if it was due to inefficiency, or the skills of the workers. But I would like to say this, that the Indian people, given an opportunity and training, lend themselves to many, many types of work there, and they are no different than the cross section of our population in that respect. They adapt themselves to many, many types of work.

Mr. BROOKS: There is no indication that there is any real problem in productivity in the individual worker?

I think maybe our friend from Arizona can probably help answer that question.

Mr. ROESSEL: I know that recently a group of people visited on the Navajo reservation and visited the sawmill there, and the manager of the sawmill there was once manager of the largest sawmill on the west coast, and he is now retired.

He said that the productivity of the Navajo was 20 percent higher than the plant on the west coast that he used to manage.

Mr. BROOKS: I think that answers the question that I really was trying to dig into, so that there is really no problem here as far as the Indian worker is concerned. The problem is to get the plant in there and get something for them to do, or move them out into opportunities outside, and that was the point I was trying to get raised here.

Mr. GIBSON: I want to apologize to you for being late. I have the disadvantage of being the one Commissioner from Washington at the table here. I couldn't get a taxi. I had to dig out.

I had three things I wanted to cover briefly, and if my questions have been covered in your testimony, please refer me to it and I can read it to get the answers.

I was interested that in the testimony we had from a number of Indian witnesses in our earlier hearings there was considerable dissatisfaction expressed concerning the trading post system as it affects a number of the reservations in that there were non-Indians operating these outfits, and there were some questions about the consumer practices in terms of costs, in terms of some of the credit practices, and so forth.

I wanted to find out from you whether or not these are trading operations that have to be licensed or endorsed by the Bureau of Indian Affairs, and have any standards which the Bureau controls on the one hand, and, two, whether there were any programs of business entrepreneurship on the reservations to get the Indians themselves on the reservations operating these particular things.

Apparently there is a pretty good profit in them from what we could get from our testimony, and I was wondering whether there are any programs sponsored by the Bureau of Indian Affairs, sponsored by them, which are now getting Indians themselves into these particular operations.

The other is consumer controls, on the consumer practice controls.

Mr. ANDERSON: I am glad you brought that up, Mr. Gibson, because through the revolving fund, the Bureau of Indian Affairs does make loans to individual Indians as well as tribes in starting operations, and there are a number of, there have been many of, these operations started, and they have been successful.

As far as these traders that you mentioned, there have been some complaints apparently. I think they have fallen into two categories. If a trader or an operator may be adjacent to an Indian reservation, but on free-owned land, then he is out there as a completely independent operator.

However, if he is on tribal land, then they can do something about controlling, as far as the lease and so forth.

But if he is off the reservation, he is an independent operator.

Mr. GIBSON: Yes. In conjunction with the loan program, which I am happy to hear exists, are there any programs to develop entrepreneurship? As you know, this is a very important program among Negroes and other minorities who do not have the tradition of business entrepreneurship, and it has to be artificially injected into these communities, and hopefully in the future it will be an automatic kind of thing.

Are there programs you are attempting to develop, attempting to train Indians so that more of them can use the loans in more diversified ways?

Mr. ANDERSON: That is the goal of the program, to make the loans to the Indian so he can be the operator.

Mr. GIBSON: Are there staffs encouraging them to use these loans?

Mr. ANDERSON: Yes. The people in the Bureau of Indian Affairs regional offices work with them to give them whatever help they can to help them along, and of course there are educational opportunities for these people to go away to learn skills and to attend special schooling.

Mr. GIBSON: Just a couple more, Mr. Chairman.

There is, of course, controversy about the dispersal of the population from the reservations and so forth.

There are varying degrees of opinion among the Indians themselves on that, and I am sure within the Bureau. There are some efforts that you described earlier, that are underway to assist vocationally and otherwise into urban populations.

We had some testimony, probably some of the most poignant and touching and tragic testimony from Indians, concerning off-reservation Indians who had not come through the program you outlined.

This particular witness that I have in mind here was in Tucson, and apparently there are places like Tucson where there are substantial off-reservation Indians who might migrate to these cities, and who have apparently no transitional assistance from the Bureau of Indian Affairs, as far as we could determine, thus far.

My question is whether, in conjunction with the kinds of programs that begin on the reservation and assist in the total migration pattern, are there legislative—is there enabling legislation or funds which would permit in those 10 or 12 cities where Indians seem to concentrate, which would assist the Indians, who have been under a protective situation and have not had the urban exposure, in terms of getting them aware of what the urban services are, where the training programs are in a town, and assisting them to make the transition into nonreservation life.

Mr. ANDERSON: I covered that. We do have a program to give them an indoctrination or a transitional training. Now——

Mr. GIBSON (interrupting): I am speaking of those who didn't go through that program.

Mr. ANDERSON: In other words, what you are talking about, as I understand, Mr. Gibson, would be a welfare worker, if this would be a general term, to follow up to give assistance to the ones who voluntarily left on their own?

We have some particular problems at the present time. This is an area that I feel needs further consideration, and I don't believe there is too much being done. I will have to admit that I am not too familiar with what is being done in this area.

Of course, the Indians are citizens, and they are entitled to, and should receive, the same care and benefits as our population as a whole. They are American citizens.

Mr. GIBSON: It is a very ticklish point. We don't want to segregate the Indians once they go into a particular community, and I am not encouraging the Bureau to begin such a process. I would be the first to oppose it.

On the other hand, we do have an operation that is connected with the Commonwealth of Puerto Rico which attempts for the Puerto Rican immigrants to set up a referral and educational service which assists those newly entered people to make use of the benefits which are available to all citizens.

Chiefly, there is supposed to be the language difference in many instances, and the totally different cultural and societal framework from which they come.

We have, of course, ample illustration in the southern migrants who have gone to the northern areas, whose isolation is severe enough to prevent them from making use of services which are all over town, simply because they are all over town and these people don't know how to negotiate the transportation and so forth.

So it is this particular thing that I am interested in.

The CHAIRMAN: You will have to make it a little bit shorter.

Mr. GIBSON: Okay. I'm sure you must have touched on housing.

Mr. ANDERSON: Yes.

Mr. GIBSON: I am particularly concerned that on the Indian reservations, where we apparently do not have the difficulty in terms of utilizing self-help housing programs that we have off the reservation, because of land cost, it seems to me there could be a substantial reduction in the basic unit cost of self-help housing, which would facilitate it off the reservation.

Mr. **ANDERSON**: I went into that. The land is not the problem in most areas.

Mr. **GIBSON**: Thank you.

The **CHAIRMAN**: Mr. Stanley is next, and then Mr. Fischer.

Mr. **STANLEY**: Mr. Anderson, I will preface my question by saying I speak out of an abundance of ignorance. Is it thought to be a policy to move all the Indians off the reservation into assimilation? Would that be desirable?

Mr. **ANDERSON**: I don't think that would be desirable, no. Many of them don't want to leave. They have an attachment to the land. There are others, especially after they are exposed to schooling, education, and see the bright lights, shall we say, who find it attractive to seek their lot off the reservation, and there are many who don't want to leave.

I think it would be a mistake to consider a program to force the Indians off the reservation.

Mr. **STANLEY**: I don't mean force them. I mean make them want to leave.

Mr. **ANDERSON**: Make them want to? I think they will leave voluntarily depending on their personal desires and the attractions that are available to them. Naturally, when the word gets back to the reservation that one of their friends is successfully employed and he is enjoying his life off the reservation and contacts his friends on the reservation, he will probably move.

It is a chain reaction.

Mr. **STANLEY**: Thank you, sir.

The **CHAIRMAN**: Mr. Fischer?

Mr. **FISCHER**: You spoke, Mr. Anderson, about the special problems of large families. We heard earlier testimony that the net rate of population increase was about twice as high among Indians as the rest of the population.

Are you doing anything on family planning, to make birth control information available to them?

Mr. **ANDERSON**: The information is being made available.

Mr. **FISCHER**: Is this a vigorous program?

Mr. **ANDERSON**: This is a touchy area, and I have said this. We don't go out on a hard sell. In other words, make the information available so that they are in the same position that you and I are. If they want to take advantage of these opportunities, or use these devices, they can; but make the information available so that it becomes a choice on their part.

The **CHAIRMAN**: Mr. Anderson, very quickly, I appreciate your review of what has happened and what you project as some very optimistic outlook in terms of the process of bringing about a reduction of poverty, but I didn't quite find in your paper the kind of programatic presentation on "Where do we go from here?"

We have got 380,000 Indians on reservations in bad shape, as you have pointed out. What kind of specific program is there in the way to get at this relatively small number of people, and to really do something about the poverty?

Let's take housing. We mentioned here some possibilities. What I am concerned about here is that we have a relatively small number. Why is it we can't make greater progress in reduction of poverty among these people?

Mr. **ANDERSON**: Mr. Henderson, I think one of the factors we face is that there are many of the Indian reservations or areas which are isolated, and in many cases the land is not as productive as we would like it to be. Many of the areas don't lend themselves to a real, viable agricultural operation.

However, with the expanding population, the growth of communities, and the spreading out of industry, for example, into the Southwest, like the Fairchild Semi-conductor, and other operations of national organizations, they spread their operations onto these reservations.

If we can interest them in that, I feel we can end up with a larger labor force on the reservation, and this with an increase in the outmigration which would be a natural happening, as job opportunities arise and Indian people achieve skills. It is the combination which I think offers the hope and the possibilities.

The **CHAIRMAN**: Are you aware of the fact that at least in terms of the larger public, some of them, the view is that basically the Indian problem exists, as it does exist, and it is so slow being corrected, because of neglect and that it is sheer discrimination?

Do you feel that is any part——

Mr. **ANDERSON** (interrupting): As to discrimination?

The **CHAIRMAN**: Yes, and neglect.

Mr. **ANDERSON**: Well, with respect to discrimination, I don't think I could deny that there probably is a feeling, in some areas, that there has been discrimination and they haven't been given maybe some of the opportunities, but I feel we are undergoing a period of time now where this is becoming less and less, and it's being minimized.

I am not acquainted enough with the centers of population or the towns to know to what extent there is discrimination or if there is any at all, but I feel that if this is something that has existed, it is being minimized.

The **CHAIRMAN**: Thank you, Mr. Anderson. We appreciate your testimony, and we have this in the record.

The next person to come before us is the Honorable Millard Cass, who is the Deputy Under Secretary of Labor.

Mr. Cass, as Deputy Under Secretary of Labor, I think you have probably been briefed on our mission and what we are concerned about.

We are happy to have you with us, sir. We would like you to summarize your presentation, or however you see fit, and leave time for questions.

STATEMENT OF MILLARD CASS

Mr. **CASS**: Thank you, Mr. Chairman.

Mr. Chairman, and members of the Commission, I shall summarize my statement quickly and then be glad to respond to any questions you have.

For the benefit of the Commission, I have been accompanied today by Mr. Albert L. Shostack, who is special assistant director, Office of Manpower Policy, Evaluation, and Research; and Mr. Jack S.

Donnachie, deputy director, Office of Farm Labor Service, Bureau of Employment Security, U.S. Department of Labor. In case the Commission has very detailed specific questions of a technical nature, they may be able to answer ones I cannot.

I felt it was better that the Commission have all the information it wished than that I try to handle matters that I wasn't quite as expert with respect to as I would like to be.

First of all, I should express to the Commission the appreciation and pleasure I have in appearing here and the regret that Secretary Wirtz has that he was unable to be with you today. The Commission is undoubtedly aware of his great interest in, and his effective activity directed to, eliminating poverty and bringing real equality to all Americans.

There is a special reason why he was anxious to be here if he could, but you can appreciate the demands on his time and his inability to be everywhere he would like to be.

Secretary Wirtz has emphasized that what we need is not merely a war against the extreme of unemployment, ignorance, and poverty, but a full-scale human resources development program.

Our approach to the problem of poverty starts with the fundamental tenet that in a democracy, no people can be forgotten. In a nation established upon the principle that "all men are created equal," there must be equal opportunity for all.

I assume the Commission has a great deal of knowledge relating to the background of poverty, and therefore I shall not detail it for you, although I can respond to questions in this area.

One thing we should note is that the plight of the rural resident is not greatly different from that of his city cousin. Moreover, the problem of rural poverty has, in recent decades, become also an urban problem, and I think it is important, some of them have the same source. There are the poor from the rural areas who have moved to the cities and have found there not only continuing poverty, but some other problems which they did not have in the rural areas.

There are a few aspects of rural poverty that we would like to dwell upon first. I don't intend to give any statistical description, although we can provide that if you wish; any specific detailed figures we will be glad to supply you.

I would like to draw your attention to three major aspects of rural poverty and rural manpower which we believe furnish directions that Government programs must take into account in this area.

The first is the fact that rural poverty is not a general condition, but is concentrated in certain areas of the country among certain people. These points need detailed action programs tailored to the particular needs and particular problems of the rural poor rather than scattering program resources through the rural enocomy as a whole, and this, of course, first of all, is the necessity to identify geographic regions requiring particular attention.

We also believe it requires the identification of particular rural poverty groups, which, even though they are concentrated in large geographic areas, may have different problems from some others in that area.

In other words, overgeneralization may make us ineffective in dealing with the problem. We are going to have to pinpoint it and zero in on it.

We call particular attention to groups of workers dependent upon higher farm employment and, as you know, they have special problems. Even within the hired farm labor force, however, we must differentiate and be specific.

Most hired farmworkers do not rely on farm jobs for their livelihood, and the portion who do has been decreasing. Many workers supplement their farm jobs with nonfarm activities. Other seasonal farmworkers are not rural residents at all, but live in a city, and must therefore be served by manpower and poverty programs geared to urban conditions.

More than half of the seasonal farmworkers are housewives or youths who are out of the labor force most of the year. On the other hand, there are 300,000 full-time farm wage workers, and another similar number who put in between 150 and 250 days a year on the job.

These are professionals in the hired farm work force. They can account for most of the man-days of farm wage work, they are relatively skilled, and are a stable component of the labor force. They are generally employed on large, efficient farms, and the problems they face are different from the problems of other groups which do not have substantial or continuous farm employment.

Another special problem group with which we wish to deal and to which we wish to direct your attention is the more than 400,000 migratory farm laborers who leave their homes each year and try to piece together an existence of a nomadic type going from one farm job to another, and from one area to another.

They are particularly disadvantaged, because they face a number of problems which are not faced by persons who live in a single geographic area during the entire year.

For example, they are not entitled, as a matter of law, in most places to certain social and welfare benefits, which they need perhaps more than the persons to whom entitlement does go, but because of the residence requirements, they are not eligible for these.

They also have a low educational attainment, lack of occupational skills, health problems. Sometimes they find it difficult to adapt to urban or industrial environments. Many of them have cultural or language barriers.

In pinpointing services to these groups with the most severe economic problems, we urge you to pay special attention to the racial and ethnic minorities in rural areas. Many of them have language and cultural barriers to overcome. There are patterns of discrimination which have caused many of their problems, and they have special characteristics which require special attention.

This is true, of course, as we all know, of the southern rural Negroes. It is true of the Spanish Americans concentrated primarily in five Southwestern States. It is true of the Puerto Ricans and American Indians and other types of rural minorities who have special characteristics and special problems.

The second aspect of rural poverty and manpower which will help us develop ameliorative programs is the fact that rural people themselves have reacted to restricted economic opportunities by a dramatic, massive migration to urban areas.

The greatest change occurred in the farm population, which dropped from 31 million to 12.4 million between 1920 and 1965.

At the time when the rural nonfarm population doubled to 40 million this migration took place, so the overall statistics, you see, don't really tell us much. We have to analyze those statistics to deal specifically with what were the interchanges which took place.

The problems of migration, then, you can see, fell most heavily on people with farm backgrounds, the ones most likely to lack the skills needed in industry, and the ones most likely to have the greatest difficulty in adjusting to urban life.

Another distinction we should keep in mind is that the rural migrants have been overwhelmingly in the 18- to 29-year age brackets. Among the people left at home, the very young and old represent a disproportionate percentage of the population.

Again, minority groups need especial attention. As late as 1940, nonwhites were predominately rural. Today, only one-fourth of the nonwhite group lives in rural areas. Our programs cannot stop the out-migration of people. They may, however, rationalize the migration and assist the people who are going to migrate.

This will reduce the tension and welfare burdens resulting from haphazard, unassisted migration. At the same time, we wish to emphasize that every effort should be made to stimulate rural economies so that they can provide decent and productive livelihoods for people so that they do not have to migrate from the fresh air of the countryside to the smog and filth of the city.

A third trend which we think is important is a growing similarity between rural and urban workers. Differences in conditions are narrowing.

A high proportion of farm wage workers engaged in nonfarm work during the year, and also what many people do not recognize is that a substantial proportion of farmworkers live in cities, and a substantial proportion of farm residents commute to city jobs. So that there is a great deal of daily commuting.

Moreover, farm employers are becoming more like city employers. Two-thirds of all hired farmworkers in America are on 2 percent of all the nation's farms, which indicates that you are dealing with a type of farm employment that isn't nearly as different from industrial employment, and you are dealing with a type of farm employer who isn't nearly as different from industrial employers as they formerly were.

They are all accustomed to the same kinds of problems which go with a large commercial operation. This is true of both the workers and the employers.

Another fact we should call to your attention is the virtual disappearance of the use of farmworkers who are nonresidents of the United States and who come here temporarily to do farmwork.

As you know, as late as 1959 there were almost half a million foreign workers employed on American farms. In 1964, it was down to 200,000 in one year; in 1965 it dropped from 200,000 to 36,000. In 1966, it dropped to 23,500, and for this I must give major credit to the Secretary of Labor, Secretary Wirtz, who determined that this could be done, this should be done, and that with high unemployment in the United States, farm jobs in America should be available for Americans.

Now I want to deal with a few recommendations as quickly as possible. First, let me say our recommendations are not dramatic and new. We are not trying to remake the world. A great deal of progress has been made lately, however.

We would like to urge that this Commission look at this progress and make recommendations for building upon it, because we think it provides a sound basis for further progress.

The first is job opportunities in rural areas. This is absolutely first priority. There are also a large number of Government efforts in this area, and we would just urge that the Government efforts be expanded and that they be appraised and that the experience that we had with respect to them be looked at with a view to seeing if we can't have some further progress in this regard.

There are subsidized job opportunities in public works and services. We urge that this kind of program also be looked at, because these programs enable local governments and community organizations to employ persons on rural conservation and beautification projects, providing essential health, education, and welfare service, and in related fields.

This paid work experience may be supplemented with occupational training, remedial legislation, and other services. Work experience programs of this type can serve several important functions in relieving rural poverty. They can provide income opportunities for seasonal workers during slack periods of the year, thus helping to bring the annual earnings of workers up to adequate levels.

They provide work experience on on-the-job training, and make it possible for these people to move to other jobs as needed.

Also, our experience has been this: Despite everything we are told, industry does go most often where a work force is available, and a trained rural work force will attract industry.

We also note that conditions are ripe for a long-delayed expansion of economic security and labor standards legislation for agricultural workers. There has been recent progress in this field. Most notable in these areas was the inclusion of almost 400,000 farmworkers under the minimum wage provisions of the Fair Labor Standards Act last year.

We have some specific recommendations which we think are worthy of consideration by the Commission in this field of labor standards and economic security. We suggest you give consideration to further extending minimum wage protection to farmworkers.

A good beginning has been made, but as we indicated to you, two-thirds of all hired farmworkers in America are employed on only 2 percent of the farms. These are obviously huge commercialized operations, and paying the minimum wage is not really the burden for them that people have thought it would be.

Most of them already meet decent wage standards, and of course we are only talking about wages, and we are not talking about hours legislation, which would be the greatest difficulty for farm operations.

Secondly, you might wish to take a look at the child labor provisions of the Fair Labor Standards Act as they apply to agriculture. This thing, I may say, can cut both ways. There are undoubtedly some areas in which there is not sufficient protection of children in this area. There are other areas you may wish to look at to see whether there are any restrictions that are not needed, although we are not suggesting that there are.

Inclusion of farmworkers on large commercial farms in unemployment insurance programs is another area that might be fruitful for inquiry by this Commission. Currently, coverage is available in only a few jurisdictions, and there are severe restrictions on the nature of the coverage. You may also wish to take a look at the experience of our neighbor to the north, because Canada extended unemployment insurance to farmworkers effective April 1 of this year.

Next, you may wish to look at methods of encouraging State extension of workmen's compensation to farmworkers. Currently, half the States have such coverage. The fact, however, that a great many States do have it speaks for itself in terms of feasibility and propriety.

You may also wish to review the experience in covering farmworkers under the old age survivors and disability insurance provisions, and of course this is not our business, and representatives of the Department of Health, Education, and Welfare might be able to discuss this area with you.

You may wish to consider, as some have suggested, ways in which national programs to stabilize prices and production of agricultural commodities could be used to improve wages, working conditions, economic security, and labor standards.

As you know, meeting minimum conditions has been made a prerequisite of payment of program benefits to persons in Government contract or related programs, and there are wage determinations—wage determinations are a large-scale part of the government programing operation.

It has also been a part of the Government's sugar stabilization program for a long time.

You may, in addition, wish to look at public assistance programs adapted to special needs of farmworkers, and see that relief recipients are not deterred from receiving farm jobs by the difficulty of qualifying for assistance at the end of the season; that supportive services, such as training, health, and counseling activities, continue during periods of short-term employment; and that residence requirements which curtail assistance for migratory farmworkers are removed.

We have noted that many persons who would be willing to take a job for 2 weeks or 4 weeks in order to harvest a crop are afraid, and in some instances experience has indicated they have good reason to be afraid. They cannot requalify for assistance at the end of that period.

It would seem that some method ought to be available whereby a person who is receiving public assistance should not find it impossible to take short-term employment because he knows that if he did he will lose his qualifications for the public assistance program.

The fact that he has 4 weeks' work, let's say, does not mean that he is no longer in dire straits, and we should be able to recognize that and develop some method of meeting this kind of situation.

On the other hand, he should not need public assistance during the period he is actually a wage earner.

If it is unprofitable for someone to leave public assistance and take employment, there is something wrong with the way we are doing things. We don't propose that we know all the answers to this, but we do think there must be an answer to this.

I will touch briefly on educational and vocational training. They are the strongest long-range potential for the alleviation of rural poverty, or easing the adverse earnings differentiation between urban and rural workers. We urge that your Commission urge State educational institutions to strengthen educational programs, and to gear them realistically to the kinds of vocational opportunities that will be available to rural youth.

You can overemphasize training, as you know, in areas where agricultural opportunities are diminishing. On the other hand, we must recognize that there are changes in the nature of the agricultural employment opportunities, and that you can provide vocational education geared to these specific opportunities which do require a great deal more education, a great deal more training, a great deal more skill than the farm opportunities of decades ago.

You may also wish to consider, and the Department of Health, Education, and Welfare is the expert in this—not we—but under the Vocational Education Act training costs are met on a 50-50 Federal-State matching basis. We call to your attention the fact that the current Federal share under the Manpower Development and Training Act is 90-10. Perhaps you could do a little more in this area of assisting in vocational education.

If you were able to require less of a matching from areas which are sometimes not in a position to meet these financial requirements it might be helpful.

I will slip over some of the things that we are doing under the Neighborhood Youth Corps, the Manpower Development Training Act in providing opportunities in this area.

I think you would want to know specifically, however, that this calendar year 1966 about 45,000 enrollees under the Manpower Training Act lived in rural areas. They are about one-fifth of our total. Only 1,300 of this group were being trained for agricultural occupations, reflecting a realistic adjustment to the demands of the job market.

Even among the farmworkers enrolled, only one-fourth of the trainees were in agricultural courses.

Now, may we speak just one minute about the rationalization of the rural-urban migration? I touched upon this earlier. I call it to your attention because, as I indicated, in the past, decisions to relocate have usually been made by each individual involved without guidance, based on rumors, scraps of information. They have received a minimum of government assistance and service.

As a result, anyone could guess what would happen. They have reached the cities, unable to adapt to the problems for which they were unprepared, and this has placed a special disadvantage upon them in terms of employment in the urban centers and in terms of adapting to the urban environment.

As a result, there have been welfare problems placed upon the cities, there have been tensions in the big-city slums, and it seems to us that this can be helped. The Manpower Training Act has a provision for a small-scale pilot labor mobility demonstration program. We are doing our best under this. We think this should be extended, expanded.

Perhaps there are other ways you would find in which a long range of supporting services could be made available to rural residents who do want to migrate—not to urge them to migrate—but if they do want to migrate, to make it possible for them to rationalize their migration and be prepared for the needs they will find when they reach the urban centers.

We can help in this process. Other agencies of government can help in this process, and it may be that there are types of programs that are not even now in existence which you would think are necessary to make this possible.

I think lastly there are two other areas I will mention in conclusion. One is research. We would hope that you would tell us the kinds of research which you think are necessary to provide the facts required for a meaningful program in this area.

We have done a good deal of work in the Manpower Administration under the MDTA, and we have a number of potentially fruitful research projects underway. Perhaps you could tell us the gaps your hearings have indicated need to be filled by research programs.

Lastly, the restructuring of the job market for seasonal farmworkers. There is an urgent need there. We do a good deal of this. We help approximately 145,000 migrant workers through our agency worker plan, under which we are providing a regularized sequential job program for them, where they move from one area to another area, and they have minimum dislocations, loss of time between areas, et cetera, and we think there should be a great deal more.

There might be such things as this that have been mentioned: Incentives for farm employers to work together in providing year-round employment by the systematic transfer of employees among seasonal farm jobs; increased government assistance in recruiting and scheduling temporary farmworkers; helping rural communities to develop nonfarm work opportunities to fill the gaps between peak agricultural seasons: and arrangements to combine temporary farm and nonfarm work into a year-round livelihood.

Let me conclude by telling you what we believe is the greatest challenge. The poor, the underemployed and the unemployed, are not statistics. They are people. We have to recognize they have the same hopes, aspirations, and needs as their affluent fellow Americans.

We emphasize to you, because so many statistics are put out in this area, and that is why I kept away from them as much as I could, while the poor are counted by millions and analyzed by millions, they must be counseled and placed separately and as individuals.

While the poor can be trained in classes, they must learn individually. That's really the greatest challenge. What will motivate and train one group may not motivate or help or train another. Therefore, our programs must be personalized, flexible, and varied. They must provide the special attention to each individual that he needs as opposed to glib, blanket solutions to the problems of poverty as a whole. Because they won't do it.

Let me quote just a few sentences here that Secretary of Labor Wirtz addressed to the Congress last year, which I think summarize this whole business. He said—

> The most direct answer to poverty is jobs. . . . The job creation and job training programs must be organized with full recognition that most of the ultimate answer to unemployment among the poor has to be jobs in private employment. . . . These job creation and job training programs must be concentrated in the areas where poverty is concentrated and must be devised to meet the clearly identified needs of the people in these areas. . . . Their problems—of becoming useful and self-sustaining—have to be approached almost on an individual basis.

Mr. Chairman and members of the Commission, I appreciate your patience in listening to me, and I would be happy to answer any questions.

The CHAIRMAN: Thank you, Mr. Cass, for your presentation, and particularly for the very important set of recommendations as you have given them to us.

Mr. Shostack and Mr. Donnachie, why don't you join the table here?

We will start over with Mr. Davis—I will tell you what we will do. We will line up the ducks, and we will stick with the order: Mr. Davis, Mr. Gay, Mr. Ford, Mr. Gibson, and Mr. Brooks. I am writing them down, and the time allotted here where I am going to ring the bell if things get too long. (Laughter.)

I think we have got a very important document here and there have been several things opened up, and we want to utilize the time as best we can.

Mr. Davis?

Mr. NEIL DAVIS: Mr. Cass, when we were in Memphis a couple of weeks ago, we were told that in a five-county Mississippi Delta area that one result of the application of the minimum wage laws to their situation was that some 11,000 Negro farmworkers—it was estimated—would be driven from land because the large plantation owners would turn to more and more mechanization and less and less dependence upon these people for labor.

What is the Department doing to assist people in moving from rural areas to the cities, where there might be a good labor demand?

Mr. CASS: May I answer your question in two parts?

First, I anticipated this question, because we, too, have had this called to our attention, sir.

I don't question any statements people wish to make concerning what the effects will be in their own area at all. I think, however, since we have suggested the possibility of extending the Fair Labor Standards Act and providing additional protection, that this Commission would be interested in knowing what the effect of extension of coverage and expansion of the level of the minimum wage, increasing it, has been in the past upon employment in industries which were characterized as low wage industries.

Mr. NEIL DAVIS: I think we are very well familiar with that, and this observation was not said critically. The witness who made the observation is very much in favor of application of the minimum wage to the situation there, but the fact remains that there are people—well, let's forget that situation—there are other people, all over the rural area, who are not gainfully employed.

Let's not put it on the basis of application of minimum wage. This has nothing to do with it. What is the Department doing to assist such people in rural areas to move to the cities where there might be a good, strong labor union?

Mr. CASS: Well, the Federal-State employment service, aside from this experimental program I mentioned to you, is constantly assisting people in finding jobs in urban areas.

In terms of the actual movement, one of the problems has been, of course, that it takes money to move. We have under our Manpower Development Training Act been able to train people and get them a job before they moved, and then they moved direct to the job.

In many instances we have been able to have employers willing to advance or sometimes even pay moving costs, depending upon the nature of their needs and demands of the labor market at that time.

A great deal has been done, but I wouldn't want to leave you with the impression that enough has been done, or that more could not be done.

When we have had called to our attention specific problems where there is a dislocation—let's take a plant closing, for example—we have had special task forces move in with the State employment service and Federal personnel going in. They have actually set up recruitment offices in the plants, or in the localities.

They have had counseling. They have tried to catalog what abilities people had and then look for jobs for these people.

Now, we have had some considerable success in this respect, but again I don't want to let you think it has been as good as it should have been.

Mr. NEIL DAVIS: I was wondering about looking in the immediate future, with the rapidly decelerating demands for farm labor, and more and more people becoming surplus in the farm situation. Has the Department given any thought to helping these people move into the cities where there might be some type of employment?

Mr. CASS: Well, yes, sir, but in terms of facilities we have available, we have a very limited amount of resources that we can use for the actual migration thing. We do use the Federal-State employment system to help them find jobs, and I think, if I can deal in overall statistics, overall, most of the people who are leaving are getting jobs.

Unemployment is declining, it is declining steadily, and it has been declining for many months now, so most of them are getting jobs.

The problem is "most of them" is not enough for us, or for you, and those who are not really running into problems.

The CHAIRMAN: Mr. Gay?

Mr. GAY: Mr. Secretary, I was reluctant to ask this question, but you have taken the sting out of it on page 25 when you had a quotation there, "When all is said and done, more is said than done," so I will proceed to ask my question.

On page 16, you come up—and thank you for these recommendations—you come up with seven suggestions and/or recommendations.

As you were giving those, my mind went back about 30 years, even to some of the people on this panel, such as Jack Fischer there, editor of Harper's. He was there during those days.

But I remember Jim Maddox, Will Alexander, and so forth, 30 years ago, essentially saying what you have said in some of these recommendations, such as protection for farmworkers as far as, let's say, workmen's compensation, and so forth.

What we are hearing from you, what we have heard from you, to many of us it's a 30-year repetition.

My question is sort of a paraphrase of ex-Governor Frank Clement of Tennessee. He said out in Chicago one time when he was nominating somebody, he said, "How long, Oh Lord, how long?"

This is the question I keep thinking, "How long, Oh Lord, how long." Do you suppose that we in the Federal establishment and rural areas and so forth are going to have to wait—Abraham Lincoln set us up in business in the Department of Agriculture over a hundred years ago. I don't know how old your department is, but how long, Oh Lord, how long?

Mr. CASS: Mr. Gay, let me just say to you that I agree with everything you have said. I may be able to give you some slight encouragement in saying that we are making progress—not nearly enough—but we are actually cracking bastions, long standing ones. We have people who used to say, "These things are terrible," who now say, "They are good."

How many people 30 years ago said social security was socialism, and today fall over themselves demanding its extension? We have come some distance. We have gotten some minimum wage protection for some farmworkers. We have workmen's compensation protection for some farmworkers.

We do have old age and survivors insurance. We do have a lot of these. We are moving. Now, I agree with you very much, we have farther to go, and I think one other thing that I should point out that may help with this is this factor: When everyone is distinguished, no one is distinguished. When everyone is poor, it is a little harder to concentrate upon the problems of the poorest, and some of us remember the days when we worked for 10 cents an hour, or less.

And we did heavy work. We were most grateful for these jobs. Sometimes, I remember getting a job by sheer pull. I had to have influence, paid 10 cents an hour, and worked 94 hours a week, but gee, I was grateful for that job.

At that time, at a time such as that, there weren't as many people concerned about the people who were even poorer than I was, because they didn't have that job.

Today, our affluent society, it seems to me, has made stand out in much starker contrast the problems to which we are directing our concern. It is much harder for people to say they don't see poverty today.

We have so many millions of people working at good wages and under good working conditions in our country, that those who are not working for good wages or under good working conditions stand out as a special problem.

That is why we believe the time is ripe for us to say, maybe now, maybe now we can move much further than we moved before.

Maybe the distinguished members of this Commission who are willing to serve with great sacrifice—I know you are all busy and I know the jobs that you have—you come from all walks of life, and you are willing to do this.

This speaks for itself, too.

The **CHAIRMAN**: Thank you very much.

Dr. Ford?

Mr. **FORD**: Mr. Cass, I have been somewhat concerned about—not particularly about the Department of Labor, but many of them—we seem to be engaged more in remedial programs, trying to solve problems that have already developed, rather than foreseeing problems and seeking to prevent them.

I think this is particularly pertinent in the case of jobs, the labor structure, and I have wondered what your Department is doing first with trying to project, and anticipate, manpower and occupational needs in the future and translating these into educational and training requirements, of communicating these requirements to those who can effectively put them into use so that we don't find ourselves again giving something of the order that you have already mentioned, of providing vocational training in agriculture in our schools in areas where there are no opportunities for them.

Just what is being done, looking at the long-range program?

Mr. **CASS**: Mr. Ford, I think you have put your finger on a very serious problem.

I can assure you that a great deal more has been done in terms of projecting the needs of the future, the manpower needs, both in the farm and nonfarm sectors, and in training these people in these sectors, than perhaps has been made available to the public. But I think where we have fallen down, and you have put your finger on this, too—you have used the word "community"—I don't think the Government reaches its clientele.

I think the real problem is communication. I assure you with a great deal of embarrassment that we have within the Federal establishment more information that businessmen, working people, educators need than you could ever imagine. But getting it into the hands of the people who need it is the toughest job we have, and there I don't really think, honestly think, that the Federal Government has done a good job, and I mean all of us.

We are making a great deal of progress. For example, we are gearing our training programs, our vocational education programs, the efforts of private parties in industry and schools, far more to the needs of the future than we ever did before. We are not training people on obsolete machinery, so that they know how to operate a machine which industry long ago discarded and which the school had only because industry was willing to donate the obsolete machine to the school.

So we trained the people on that machine, and they were 5 years too late.

In my college days, I learned to operate a good many machines my children don't know existed because they are so antiquated. Everything has moved so far. This is true of all of us.

The problem really is reaching the people. Now, we have tried, and I don't think we have succeeded yet, but we have at least started to try to zero in on what we called an outreach program. We are trying to get out and find the individual worker in the rural or the urban area who may need our help and doesn't even know he needs it, and to bring him into a center where he can receive training and in most instances can receive allowances, some subsistence allowances, while he is training.

Now, we have high hopes for this. We think it is being successful. It is reaching hundreds of thousands of people, but here again I would have to say to you very frankly it is also conversely not reaching many more hundreds of thousands who need it, and we are just not communicating as effectively as we could.

The CHAIRMAN: We have about 5 minutes left.

Mr. Gibson?

Mr. GIBSON: As usual, I have several questions. I am always under the gun.

I would like to know why there is a separate farm labor placement service maintained, and whether or not this works to the disadvantage of the rural worker when it comes to information about nonagricultural jobs?

Mr. CASS: Let me try one thing, and if I am wrong, we have an expert here. We have a separate farm labor service because the law requires it, under the Wagner-Pizer Act. We could have integrated it into the entire thing. We feel it would be lost and less effective. We don't feel there is any disadvantage to the rural group as a result of this, because there is a very close integration of the operation of the farm and nonfarm employment services.

Do you want to add anything to this?

Mr. SHOSTACK: Yes. You cut me to the quick. I am in the farm business. Really, you have, as Mr. Cass has said, the farm labor service at the local level. It very often is located in the same office with the employment service. We do have some seasonal offices. Our labor markets are a little different. I think our areas of supply—we also recruit farm and food processing and this type of thing.

There is no real cut. Within different States, you have different type organizations. In some States they have a very strong farm service organization. Governor Reagan in California is thinking of separating his from the employment office and making it stronger.

There is no reason, really, why they couldn't all be one.

Mr. GIBSON: I don't mean to say they should be always physically separate, but as I understand it, in some instances there is a separate set of interviewers, and sometimes a person who needs a job who comes in the farm labor service, whose card is in that file, and for whom there is no job at this time, may not get thrown into that other set of card files, where there are several jobs for $1.50 or $2.50, and this sort of thing is what I mean by the disadvantage.

Mr. CASS: That does happen.

Mr. DONNACHIE: This does happen, and in some sections of California this came to light. At the present time, we are extending the California program. We are trying to extend all our services to rural areas.

In other words, counseling, testing, these are the programs, but we are setting up appointments. We have mobile teams and are bringing them into the area.

Mr. GIBSON: One more question relating to that, and I leave out two others I was going to ask.

The CHAIRMAN: Put them in writing and submit them.

Mr. GIBSON: We had testimony to the effect that in the rural situation you have often had persons applying for jobs with a certain set of skills, and this is all recorded. There is job development activity and information flowing and concerning jobs in another set of files.

Now, the manual manipulation of that kind of data runs into hundreds of thousands of items that must be dealt with in order to match the need of the applicant on one hand and the employer on the other.

How close are we to computerization on this kind of data, both——

Mr. DONNACHIE (interrupting): You happen to have asked the right man about this. I am studying it in the Bureau. The unemployment insurance system is pretty well under automatic data processing now, but when you get into matching jobs and people, you get into a pretty complicated area, the factors to be considered, but we have three model States, Florida, Michigan, and Utah. These three States are of different size.

We intend to experiment in those States with precisely what you are talking about, have the input from the local office to a centralized computer which would indicate the individuals' abilities. We also send the orders in and we have a matching process to accomplish the very thing you are getting at to make all the jobs available to all the people.

Mr. GIBSON: So we are starting to move into that.

Mr. CASS: Matching men and jobs is not a precise art. Even then, it won't be perfect. They will have available the whole universe of job opportunities to the individual.

(Discussion off the record.)

The CHAIRMAN: Go right ahead, Mr. Brooks.

Mr. BROOKS: Mr. Cass, you brought out one point that greatly intrigued me, and I wanted to pursue it just a little bit.

It so happens that in our particular operation we have some 75 or 80 processing plants, and we followed this pattern now of trying to keep these plants in the rural area and take people off of the farms and maybe have a combination of bringing these agricultural commodities into the processing plant and employing some of these people off the farms into this in order to give them full employment.

Now, we have several thousand people who are in that category.

The thing that has worried us considerably in recent years is that in most of these plants we have been able to bring them practically to full employment. However, in processing agricultural commodities, there is no way to make it a 12-month job.

We have peaks, and we have been trying to get the people who are on relief in the area, whom we know, to come in and take these jobs. They will invariably say to us that if they go off relief they will lose their relief, and we can't guarantee them 12 months. Maybe we have got 30 days, 60 days at the peak, or 90 days, and yet they are losing this compensation, which they desperately need, and which would be much higher than relief.

And training, too. If we could get those people in and train them, we could probably move them on in to permanent employment, but this relief problem—they are afraid to turn it loose—is hindering us a great deal in some of this program, and I was rather shocked here when you said that was a problem and something ought to be done about it. We thought the Department of Labor was the one who was going to do something about it.

So I want to know who is supposed to do something about this.

Mr. CASS: Well, the State's requirements are the ones that make the qualifications of people for relief. The Department of Labor, of course, does not administer any public assistance. These are State requirements, as I understand it, but that is not to put it on anybody's back.

The CHAIRMAN: It is a State requirement, and the States do administer the program, and they make the judgment on what the welfare will be. We will have to cut this down.

Mr. CASS: And who is qualified? But it does seem to us that the Commission might want to see what remedy could be devised and suggested to States that might make it possible for a person who wants to work but can't afford to lose 10 months a year of relief in order to get 2 months a year of employment—and there is available to him only 2 months of employment, let's say—it just doesn't seem right that this could not be worked out.

That's what we're calling to your attention now. It is not in the Department of Labor's jurisdiction at all.

The CHAIRMAN: You have brought to our attention a very important area that we could address ourselves to for purposes of recommendation.

Mr. CASS: Yes, this is the purpose of this.

The CHAIRMAN: Mr. Cass, we want to thank you for your appearance, and Mr. Shostack and Mr. Donnachie.

Just for the record, could we know more specifically what your jurisdiction in the Labor Department is, your specific area? You are Deputy Under Secretary. Are you in charge of farm operations?

Mr. CASS: No, I am not, but I have spent a number of years in which I either was directly in charge of them, or was closely associated with them, and I have represented the Department of Labor in all kinds of areas, including committees in this area.

The CHAIRMAN: Thank you very much.

Mr. CASS: Mr. Chairman, I might leave for the Commission, if you like, these evaluations of the Fair Labor Standards Act that tell about the effect of the act. I think you also have this.

The CHAIRMAN: At this time, we have Dr. Robert Weaver, who is the Secretary of Housing and Urban Development. I want to call it HUD so badly, Dr. Weaver, that I don't stop to figure out what HUD is.

Dr. Weaver, we are happy to have you with us. It is unnecessary for me to review our purpose for being here. We apologize for having you wait.

You may get into your presentation.

STATEMENT OF ROBERT C. WEAVER

Secretary **WEAVER**: Thank you, Mr. Chairman.

The living conditions of Americans living on farms and in rural areas remain among the major unmet challenges of the nation. I might say that probably the greatest area of difficulty here is the area of migrant labor, which is not indigenous to the community of which it is a part. Such a migrant has very few ties and very little leverage to help his situation.

It is by now well documented and widely understood that half of all the families whose incomes fall below the poverty level are living in rural areas. Too many rural families live in homes of such poor condition that they actually endanger health and safety. Too many live in homes that need major repair, or are without adequate sanitary or heating facilities.

Meeting the challenge to remedy these conditions is more than a question of housing. And it is more than a responsibility that falls upon any one Federal department or agency.

Logically and legally, there is required here a cooperative effort that is parallel to the concentrated and cooperative effort that is being amassed to meet the nation's urban challenges.

The problems of poverty, both rural and urban, are more visible and urgent today in a society of affluence and high productivity than they have ever been before. Just over a year ago, the Department of Housing and Urban Development was created primarily and fundamentally to direct a new response to the need for revitalizing and rebuilding the cities and towns of this nation.

As part of this mission, this Department and its predecessors have been involved in the problems of towns and smaller population areas to a greater extent than is generally recognized.

This Administration recognizes that we need thriving, healthy rural areas just as we need thriving, healthy cities. And as great as the task is in our cities, their problems will never be truly solved unless we also solve the problems of the towns and smaller areas.

President Johnson, in a speech last September, observed that history records a long, hard struggle to establish man's right to go where he pleases and to live where he chooses.

"It took many centuries and many bloody revolutions," the President said, "to break the chains that bound him to a particular plot of land or confined him within the walls of a particular community.

"We lose that freedom when our children are obliged to live someplace else, that is, if they want a job or if they want a decent education."

In the United States today, we must examine poverty against a background that reveals relative affluence for most Americans. Within that affluence, however, there are revealed geographic differences that relate to poverty. For example, in 1964, the median income for suburban families was $7,770 while in central cities it was $6,700, but in areas outside metropolitan centers, the median income was $5,210 and, of course, as we all know, these averages are misleading.

The significant thing is in the distribution, and the significant thing here is the lower ranges of the distribution, where the ranges would be geographically even greater.

It is true that the most visible and pressing problems of the poor are in the central city slums and ghettos, but it is also true that large areas of poverty remain outside of the larger cities—and they are far less visible to the observer, and perhaps therefore less compelling as a national social problem.

The characteristics of poverty in both rural and urban areas tend to be similar, though not identical. In both, for example, the poor are often elderly, unemployed, underemployed, poorly educated, female heads of families, members of minority groups, poor in health, or disabled.

One major difference, however, is that the rural poor, more often than the urban poor, live in areas whose economic or resource bases are defective as sources of earned income.

This can be seen in such areas as Appalachia, or in some areas around the Great Lakes, where mines may have been worked out, or in other areas where timber stands have been exhausted, or in many parts of the nation—perhaps particularly in the South—where agriculture has become mechanized.

The point to be made in this discussion is that even where the personal handicaps of the rural poor can be overcome—say, by job training—the poor themselves may still be left in areas where there are few opportunities for their new skills.

It has long been public policy that Federal and State assistance would concentrate a significant portion of its resources to serving the people where they are. Thus there have long been programs of aid to supplement diet, improve education and health services, provide training in homemaking, farming, and nonagricultural skills.

The Department of Housing and Urban Development, and its predecessors, have concentrated on improving the community facilities, including housing.

Federally aided low rent public housing has been one of the most substantial efforts. For many years, rural counties and small towns have made substantial use of this program. At the end of fiscal year 1966, four-fifths of the localities having public housing projects were, in fact, in the smaller cities and towns.

Of the nearly 2,100 such small localities, there were 968 that were in places of less than 2,500 population. Of course, many of these public housing efforts in small population areas have contained a small number of family units when compared with public housing in cities. Still, even in terms of units, this smaller city program has been substantial.

To show the extent of this effort, a cumulative account of the decades of public housing showed that at the end of 1966, there were almost 200,000 units approved or built in smaller cities and towns.

It is worth noting that in low rent public housing for rural communities, the questions of operating expense and management are often crucial. Projects too small, or dispersed over wide areas, may be unable to attract competent management or may show high costs of management per unit.

We have found it necessary, therefore, to require local authorities requesting very small programs to demonstrate that they can be managed economically. In many cases we encourage cooperative arrangements for centralized administration.

A typical characteristic of the older and smaller communities is the high proportion of elderly, low income persons and families. Therefore, many of the public housing projects in rural areas have in fact been projects for the elderly, and this, too, of course, is reflective of problems of rural areas, the lack of economic opportunity and the lack of jobs for persons, particularly the young persons who may be trained, or want to be trained.

Another elderly program which applies here is the direct loan program of 100 percent loans made by HUD to nonprofit sponsors at a 3 percent maximum interest rate for 50 years. This housing is for older people with incomes too high for public housing, but too low for the private housing market.

Another private housing program for persons in this income group, and which is applicable to rural areas, is the Section 221(d)(3) below-the-market interest rate program.

The relatively new rent supplement program which provides a subsidy for the low income family's rent, and which encourages private building of low income housing, applies to rural areas as well as small cities and towns and, in fact, funds have been allocated for rurally located projects.

The dimensions of the nation's housing inadequacies were documented in the 1960 census. It showed that one-fourth of all the rural, nonfarm families were living in substandard housing, and in that same group, among those with incomes less than $4,000 a year, about half were in substandard housing.

Aside from housing, however, this Department has undertaken a variety of substantial efforts in helping the smaller communities—far more effort than is perhaps widely understood.

Many of our major programs, such as renewal, have been widely utilized in smaller communities, and other programs are, in fact, specifically and almost exclusively directed to smaller communities.

In urban renewal, for example, more than 70 percent of the cities with projects have populations under 50,000.

Even more directly relevant are these other programs:

In the dozen years of our planning assistance program, operating through State agencies, 87 percent of the local communities that were aided had fewer than 25,000 persons, and half of them were under 5,000 population. About 30 percent were under 2,500.

The public facility loan program is directly related to smaller towns—95 percent of those aided were communities of fewer than 10,000 persons. And, in fact, three-fourths of the loan approvals were in communities of under 2,500.

The program of advances for public facilities planning gives first preference to communities with fewer than 5,000 persons and in fact almost half of the projects for which advances were made in 1965 were in such communities.

Special mention should be made of our relatively new program of grants for water and sewer facilities. As of last October, about three-fourths of the projects granted were in the smaller cities and towns.

It should be noted here that we have an agreement with the Farmers Home Administration of the Department of Agriculture that it will serve towns below 5,500 in rurally oriented areas while we serve towns of any size in either urban or urbanizing areas; and our grants have gone, in fact, to many small towns down to 500 population.

It should be clear from these examples that this Department is making a significant contribution to small as well as large communities to help them develop comprehensive planning and development, public facilities, and housing.

In the search for feasible techniques to raise the productivity of people in depressed areas, the Department is cooperating with other agencies in several experimental and demonstration projects.

One of these efforts is to help Indians. Together with the Bureau of Indian Affairs, the Department of Labor, and the Office of Economic Opportunity, we have entered into self-help programs to provide better housing for Indians through procedures that permit job training and experience.

We are also participating in the Federal Development Committee for Appalachia and making our programs available to the fullest extent possible to assist interagency efforts to improve the economy of Appalachia.

In both Florida and New Jersey, we have cooperative demonstration programs underway to improve the housing and economic conditions of farmworkers.

Major responsibility for the substantive programs in improving education, health, training, and personal betterment lies with other departments and agencies. But the Department of Housing and Urban Development is assisting.

The Department is cooperating with the Department of Health, Education, and Welfare on a task force on concerted services.

This task force is encouraging special efforts to make social services and education and training available to occupants of selected low rent housing projects who have demonstrated particularly serious problems.

The concerted services approach is one technique that is considered useful in raising the capacity of low income persons to cope with the problems of an urban environment.

Migration from rural to urban areas is one clear area of responsibility for this Department. In this connection, we feel that some of our newest programs can have substantial impact.

For example, the model cities program will involve communities assessing their own problems and working out programs for solution which we can assist both by concentrating presently available urban funds and by drawing upon new funds that we can make available.

These supplemental funds can be used for wholly new projects that might have been overlooked by the community before, or perhaps were not possible before. It is entirely conceivable, and even likely, that one of the problems of a given model city, or several model cities, might well be to help its newly arrived residents with either or both physical and social improvement efforts.

We will also make certain that among the target neighborhoods selected for the concerted efforts possible under the model cities program there will be some of the smaller towns and communities in various geographic areas of the nation.

Other titles in the same legislation authorize two other new programs that might also have an impact on the problems of nonurban low income families. These are the legislative sections dealing with metropolitan development and new communities.

It is the intent of the metropolitan development section to provide special incentives in the form of supplemental grants to metropolitan areas to carry out development activities in relation to comprehensive planning. The expectation therefore is that the coherence that can be brought to metropolitan development will enhance the living conditions of all those living within the area, whether rural or urban.

Finally, the legislation enables us to help in the private development of entirely new communities, as one means of adapting to the growing population.

These new communities might rise from areas where there has been no community at all before, or perhaps where there had been small communities that were not economically viable. In either event, the prospect is for new communities that could offer new and significant facilities for the persons who had lived there before, or in the surrounding areas, both for places to live and places to find employment.

Each of these new programs offers important opportunities for localities to analyze their problems and to concentrate their resources for dealing with them.

We cannot, of course, in candor suggest that either the new or the continuing programs of the Department of Housing and Urban Development are now dealing comprehensively with the problems of the rural poor any more than they are solving all the problems of the urban poor.

But we do feel that there has been a substantial amount of important work done and with the new programs being developed there is the expectation that will now be possible to undertake a great deal more than was possible before.

The **CHAIRMAN**: Thank you very much, Dr. Weaver. We appreciate your presentation.

We have some time for questions, and we would like to entertain a few. I started on my left the last time. Shall I start on my right this time, just to keep things in balance?

I thought I would get a response from Mr. Gibson.

Mr. **GIBSON**: Mr. Secretary, the Section 221 (d) (3) program, which is an exciting instrument for getting to some of the population we are concerned about, has had the limitation of not being able to reach down to the very bottom, and the public housing, we have had problems with that in terms of location in our cities.

As I understand it, there has been a decreasing utilization——

Secretary **WEAVER** (interrupting): That is not true. There has been an increase. At the present time, we are operating a program at the level of 60,000 new units a year. In 1961, when I came into the agency, we were about half of that.

Mr. **Gibson**: Yes. What I am interested in regard to Section 221 (d) (3)—is there any, in these rural areas, is it necessary to have a workable program to qualify the area for Section 221 (d) (3), or can an organization simply apply?

Secretary **Weaver**: There has to be a workable program under the statute.

Mr. **Brooks**: I might ask one question. In the case of rural homes—not in the small town; out on the farm—is Farmers Home Administration handling that now, or does your Department come into that?

Secretary **Weaver**: The rural housing which is part of a farm is not handled by our agency.

I might say there is a very valid reason for that, because that is quite different from a home in a nonagricultural setting, because that is a part of the farm, which is a part of the economic productive activity of the family, whereas very seldom is this true in a home which is not in an agricultural setting.

Mr. **Brooks**: I thought that was correct, but I wanted to be certain.

The **Chairman**: Mr. Davis?

Mr. **Lawrence Davis**: In a community where you have not been able to get the public officials to accept housing and responsibility for housing and you are trying to develop Section 221 (d) (3), is rent subsidy applicable in those areas?

Secretary **Weaver**: Yes. Let me say there are two programs that are designed primarily for the low income families, and I might say in passing that Section 221 (d) (3) is not a low income program; it is a moderate income program. It is above the level of public housing.

There is, however, the rent supplement program, which is simply a program providing for the development under a limited profit, a nonprofit, or a cooperative type of management of housing for low income people, people of the same income who would be served by public housing.

The only difference is that this is financed by private funds at the market rate of interest, and then it is rented with the Federal Government providing a subsidy which makes the difference between the economic rent and 25 percent of the family's income.

So this is a rent supplement program, and this is the complementary thing to the public housing thing, not Section 221 (d) (3).

The **Chairman**: Dr. Hutchins?

Mr. **Hutchins**: Dr. Weaver, I have one small question of detail. On page 5 you mentioned housing programs available for older people with incomes too high for public housing.

I wanted to ask what is that "too high" limit.

Secretary **Weaver**: It varies from locality to locality. The average income in public housing today is around $2,500, and for our senior citizens it's much lower. I forget. I think it is something around $1,700 or $1,800, so this is the average cutoff.

Now, in your rural southern communities where incomes are lowest, the average would be lower and the community average would be lower. You get into New York City, the average would be higher, much higher, maybe double.

The **CHAIRMAN**: Dr. Ford?

Mr. **FORD**: Mr. Secretary, I have been a little dismayed by some of the reports that we have received from Government agencies that tend to treat us as a Congressional investigating committee against which you are defending your budget.

I don't say this is the case, and I think the information supplied us has been very useful, but in many cases you would not have been guided very far into what the program needs are that are not being met, for which you feel there is a need for further legislative support, present programs which need more ample funding, and I think this would be particularly helpful to this Commission if you could point out some of these with specific regard to rural housing.

Secretary **WEAVER**: Well, I feel, very frankly, that one of the reasons I haven't done this is that I don't feel I am an authority or can speak authoritatively in this particular area.

This is primarily in the province of the Department of Agriculture, and they are the specialists in this field, and we are not.

It happens that we do have quite a few activities that relate to small towns and to small cities. Some of these are in agricultural areas, although they be nonrural in their orientation, but in their location they are there.

It is within these that our activities and those of the Department of Agriculture overlap, and I think they always shall.

There will be some instances in which we have, we hope, a special expertise which will be helpful to these communities which may not be found in the Department of Agriculture, but the primary responsibility for delineating the needs and for the outlining that which should be done is in the Department.

We cooperate with them. And it is perfectly clear that in practically every area we are operating and in all of the programs which I mentioned, if you look at the demand it is greater than the resources that are currently available, and this is a reflection of the general budgetary situation we face in this country, and it is true not only in the rural, but in all the programs.

I do not feel I am competent to answer your question in detail; only to point out the general situation, which I recognize, and which I am sure you recognize.

Mr. **FORD**: May I ask one other question, and I ask it out of ignorance. Is the Department of Agriculture responsible for rural nonfarm housing?

Secretary **WEAVER**: There is a dual jurisdiction. They have primary responsibility in this area. They have a program which is a much more favorable program from the point of view of the person who participates in it than ours.

It is a lower rate of interest, and it is, I think, an easier program upon which to qualify, but the FHA regular mortgage insurance is extended to these areas, so that we have loans made by both agencies, but they have primary responsibility in this field because from the user's point of view the loans that are on the most favorable terms seem to be the most popular ones, for obvious reasons.

Mr. **Ford**: May I ask innocently why do we have two programs dealing with this?

Secretary **Weaver**: Because it is extremely difficult to delineate what would be the definition of these areas. The fact that an area may be located in a metropolitan area does not necessarily mean that it is going to be an urban area.

There are rural areas, agricultural areas, as far as that is concerned, sometimes in the metropolitan areas. By the same token, a smaller town which is not in a metropolitan area may be primarily urban in its economy, its outlook, and its problems.

It is impossible, unless we were to go down through each community one by one and say, "This is yours and this is mine." You are bound to have this overlapping.

The purpose for not having these strict definitions is to make sure that no community which has peculiar problems which defy its physical location will be excluded from participation in any particular program, but I don't think we will ever be able to get these clean-cut definitions, because this is too much of a changing country.

You couldn't do it every year, and if you did it every 5 years you would have interim situations.

The **Chairman**: Isn't it a fact that the definition of rural or farm is more dependent on residence than the kind of income one has? Isn't the basic definition whether you engage in farming activities? We have many rural nonfarm situations which make up our suburban areas.

Secretary **Weaver**: As far as the rural farm is concerned, there is no problem. This is an area in which we have no jurisdiction, and no participation. The problem is on the gray edge, where your land is going from farm to residential use, the residential use having nothing to do with the agricultural economy, and here, since there is so much change, and since these are not clearly defined, we have to have this overlap.

Also, the problem comes into the situation, when you get into your small cities and small towns, which may be in a predominantly rural area, but are urban in their manifestations.

The **Chairman**: Maybe this is one of the services we can afford, by making this more clear-cut.

Secretary **Weaver**: I would appreciate that.

The **Chairman**: We may ask for a position paper on that.

Dr. Roessel?

Mr. **Roessel**: You mentioned a program of your development is sponsoring a program to help Indians.

I wondered if you looked upon this program as being successful, and if it were meeting the need, or if there was still need for the expansion of the program, and secondly, whether the programs are designed to meet the needs of the poorest of the poor, or do they have to be employed to participate?

Secretary **Weaver**: If I may answer the last part first, these were the poorest of the poor. I have forgotten the income, though many of them had no income except what they received from public assistance.

Many of them were living in abandoned automobiles for their homes. Many of them were living in sheds. I think this is indubitably a program for the poorest of the poor.

Also, this was a community in which there seemed to be no viable economic base for permanent activity, and this was why we were concerned about their building up their equity.

We had a very elaborate program here, prefabrication, of then getting the prefabricator to come out and explain how this could be assembled on the reservation.

We had problems of working with the labor unions and so forth about assembly, et cetera. Fortunately, we did not have problems of codes or zoning, because I don't think there were any codes or zoning on the reservation, but we had practically everything else.

You asked me if it was a success. I would say it is still in process and we think it is going to work out. We are learning that in the process this is an extremely difficult thing to do. My feeling is when you start talking about things like sweat equity, which sound beautiful, but which are not generally applicable to our economy, you had better start some demonstrations and find out what the bugs are before you come out with a grandiose program.

This comes back to your question, sir. I am sort of attuned to making appearances before Congressional committees. (Laughter.)

This is a highly subsidized program, and this is why we had to bring OEO in. We could not do this under our ordinary programs because the amount of subsidy would not be sufficient.

We have three ingredients in this. We have our own regular housing program, we have our demonstration program for housing, and then we have the OEO as well as HEW and the Bureau of Indian Affairs.

So this program could not possibly be repeated without having a great deal more legislation than we have now.

The **CHAIRMAN**: Mr. Davis?

Mr. **NEIL DAVIS**: Mr. Secretary, in some instances in small towns we have cleared away the dilapidated shacks, but we haven't replaced them with houses. Is there any way these could be tied together?

Secretary **WEAVER**: We are developing two things. First, in 1961, there was really no tool, with the exception of public housing, which could have been utilized to make it economically feasible to build for moderate income, and certainly not for low income, families.

First, of course, has been Section 221(d) (3), which has been the moderate approach. Second is the rent supplement for public housing.

Now, we are emphasizing urban renewal. I must say this is harassing me, because now I have people who don't want to tear down anything. One of my friends took me through his city area to be preserved, and showed me all the woodsheds. (Laughter.)

This is a fact, and he was serious. What I am trying to develop is a balanced program between demolition and rehabilitation, with effective tools to build for low income families.

Let me say as far as the housing is concerned, and I think this is particularly true in the field in which you are concerned, that there are two things: First, many of the housing problems are not primarily housing problems. They are primarily income problems. By this I mean a job and a steady job.

It is very difficult to house a family short of an annual guaranteed wage unless you have that type of security and that type of possibility.

The second thing is—I feel very strongly, and there are others that disagree with me—you take the poorest family and supply it with decent housing and not supply it with some resources in order to secure adequate food, adequate medical attention, and other necessities; that is simply to do a disservice for the house, because everybody says, "Look at that fine house."

Of course, they are starving to death, the children don't get to school because they don't have shoes. Their mortality is very high.

Housing has to be put in as part of a basic facility, and probably would subsidize other aspects more than housing, but it cannot be looked at as something in a vacuum, without adequate income and employment.

The CHAIRMAN: Mr. Fischer?

Mr. FISCHER: We had a good deal of testimony about people coming from the rural areas to the cities. Is there opportunity for employment in the building trades for these people?

Secretary WEAVER: At the present time, no. There is a possibility, I think, that if you will look ahead, and our statistics indicate that within the next, oh, 5 or 10 years, we will have to supply about 2,200,000 to 2,500,000 houses a year.

At the peak of our activity in 1965, I think it was, we reached 1,600,000. Last year, for financial reasons, we were way down. That isn't a typical year, but that gives still an amount that is going to push on us.

So that we are going to have a very record expansion in the amount of housing, which will mean that there will have to be a great expansion in the building trades.

The rural worker, unless he has been fortunate enough to have some basic training, is going to find it difficult to get into the mechanical trades or the skilled trades. He may become an unskilled worker, and here I think there will be some expansion, but remember, he is going to be competing with the guy who is already unemployed, or underemployed, in the town, who is a little more sophisticated about city life, and may—not necessarily, but may—know better how to get a job than the newcomer.

It is a possibility, but it is only going to happen, in my opinion, if you have a concerted program.

Mr. FISCHER: In my area, there is a decided shortage now of plumbers, painters, and so forth, an artificial shortage because the unions won't let in apprentices.

Is this true in other parts of the country?

Secretary WEAVER: I would say it is true in the cities, but less true in the smaller towns.

The CHAIRMAN: Mr. Bonnen?

Mr. BONNEN: Do we have time?

The CHAIRMAN: We have time for your question and mine. (Laughter.)

Mr. BONNEN: I have a Jim Gibson type of question.

The **CHAIRMAN**: Are you going to pass?

Mr. **BONNEN**: If we are pressed for time I will.

The **CHAIRMAN**: The real problem, as I understand it, Dr. Weaver, is when you say housing is really an income problem, we just don't have a housing program for low income people except rent supplements.

Secretary **WEAVER**: Yes, we do. The public housing program has provided housing for over 600,000 families in this country.

The **CHAIRMAN**: In an area, if a person reaches an income of $3,000, he is pushed out of public housing, and he helps create more slums. There are so many differences in localities, I guess you can't pin this down.

In other words, low income——

Secretary **WEAVER** (interrupting): Let me ask you this: I am afraid I am going to ask for a definition. I thought at first you were talking about the lowest of the low income, and now you are talking about the upper ranges of low income, or are you talking about both?

The **CHAIRMAN**: Let's take the $3,000 bracket.

Secretary **WEAVER**: Where? Three thousand dollars is a low income in Jack Fischer's hometown, but in rural areas it is not low income at all.

The **CHAIRMAN**: Let me ask this: Do we have anything comparable to the model cities program for the rural areas?

Secretary **WEAVER**: Again, I have to define the rural area.

There is nothing in the law or in our guideline, and it is our intention to extend the model cities programs to the smaller cities. If this is part of your definition, the answer is yes.

The **CHAIRMAN**: I just got word from the executive director that the Vice President is waiting on us for lunch.

Mr. **LAWRENCE DAVIS**: Mr. Chairman, one of the impediments to public housing is the attitude of some interests in public housing, where you can't get public housing. I think that ought to go into the record.

Secretary **WEAVER**: Let me add to that. This is not only true of public housing. There is no program we have in housing or anything else, but let me say, since the record is going to show this, insofar as public housing is concerned, insofar as Section 221(d)(3) housing is concerned, insofar as rent supplements are concerned, insofar as any housing that goes through and involves either the participation of a local government or the approval of a local government—because in rent supplements, while there is a private enterprise financing, there has to be a local government approval—and any of these programs, if the local government is not only sympathetic but also cooperative, the program cannot go.

The **CHAIRMAN**: We would like to express our appreciation again for your coming here and sharing your views with us.

We will reconvene at 1:30 on the dot.

(Whereupon, at 11:45 a.m., a lunch recess was taken to 1:30 p.m. of the same day.)

AFTERNOON SESSION

The **CHAIRMAN** (Mr. Rudder): If the Commissioners will take their positions, I would like to call Mr. Richard W. Boone, executive director, Citizens' Crusade Against Poverty.

You may proceed when you are ready.

STATEMENT OF RICHARD W. BOONE

Mr. BOONE: I am glad to be able to appear before the National Advisory Commission on Rural Poverty.

I would like to make clear that while I am the director of the Citizens' Crusade Against Poverty, the remarks I make before you are personal remarks and do not necessarily represent the concensus of the organization.

I would like to begin by suggesting that I believe that there are three essential preconditions for overcoming poverty in rural areas.

One is a secure and adequate income. The second is a proportionate share of democratic power, or what I will call people power, and in relation to that point I would simply like to quote the late Lloyd Fisher, who reminded us that reform is more frequently a problem of power than of knowledge.

The unpleasant and even shocking facts of disease and malnutrition, the brutalizing effects of poverty, are well enough known to lie heavily on the conscience of large sections of the American public.

One of the curious characteristics of this problem is that the facts are rediscovered every few years. It is testimony to the drama and the eloquence of the facts that we have not become yet altogether accustomed to them, and they still have power to awaken conscience and even guilt.

But conscience can only put the issues. It is political power that resolves them.

I suggest that the third essential precondition for overcoming poverty is access on the part of the poor in rural areas to the full range of human services vital to effective participation in a modern society.

You have before you, I think, a synopsis or summary of the paper, which has been submitted for the record.

The CHAIRMAN: If we haven't, we will have.

Mr. BOONE: Do you have this before you?

The CHAIRMAN: No; the staff will get it out. Go ahead.

Mr. BOONE: I would like to outline quickly a series of six basic proposals which are certainly not all-inclusive, but relate, we believe, to these three essential preconditions.

First, I would propose that very serious thought be given to providing capital loans to workers displaced by the new technology. This would permit farmworkers and other displaced workers to acquire an ownership state in our developing economic system. It could be financed through a Federal loan guarantee program similar to those now available for purchasing consumer goods.

Here, the loans would be repaid out of future earnings of the capital itself, not out of savings or an other source of income. In other words, at least in one sense, this could be viewed as a modern Homestead Act, peculiar to, and peculiarly responsive to, the new technology.

My second proposal is for community recreation within selected model rural areas using three new community servicing components: an economic development action institute serving a cluster of areas carefully chosen; community industrial trusts; and community human service corporations—these three entities working within these new model areas.

The institute at first would be the entrepreneurial and managerial center serving as a bridge to America's new technology, its brainpower, and its financial resources.

The trust would provide loans and own the new industries and turn over ownership to families in the community, from which these families will derive a second income.

Comprehensive services would be provided through grants.

Third, I would propose coverage under the National Labor Relations Act, workmen's compensation, unemployment insurance, and a minimum wage of $1.40 and other protections of the Fair Labor Standards Act for all currently uncovered farmworkers.

Fourth, I would suggest a study group should be formed to determine the feasibility of a tax credit to defray increased employer costs, employers whose gross earnings in any one year do not exceed $25,000, for expanding the coverage of minimum wage, workmen's compensation, and unemployment compensation.

Fifth, I would suggest a large foreign service program should be developed for low income persons from rural areas to begin providing agricultural and other kinds of technical assistance services to the chronically food-deficient countries of the world.

Sixth, I would suggest substantially more money should be made available [to] the migrant Indian programs through the Office of Economic Opportunity because of their aggressive leadership in programs in support of the rural poor.

With respect to these points, I would simply say that I think there is a tremendous need for a great deal more capital input into rural areas. The points I suggest, that is to say, the manner of capital utilization that I suggest, is as much an attempt to protect the integrity of capital inflow as anything else.

Although it is true that in rural areas capital inflow has been relatively small, it is also true that in many cases the use of that money has resulted in a prostitution of its initial intent.

In many instances, we find that monies that are going through public services, in particular to rural areas, are in fact reinforcing a kind of feudalism. I give but one example of that. I suggest that the money which is going into the educational establishment in many rural areas, and I take as an example of this eastern Kentucky, is often being used to reinforce political structures in those counties, structures which are not basically responsive to a democratic process, structures which are often basically hereditary political structures, and I suggest that this is one of my basic concerns about any flow of new capital.

That is to say, will guarantees or safeguards be set up so that that capital in fact does not reinforce feudalism in rural areas, but is used for the benefit of poor people and, I might say, a benefit that would hopefully make them free?

With respect to the point made on possibilities of foreign service, I would simply like to say that I think in many respects the name of the game in rural areas is youth. What will youth do?

Will they leave, or will they stay? And regardless of whether they leave or stay, how well will they be prepared to exercise options?

I think that a great deal of consideration could be given to the possibilities of an interconnect in dealing with international problems of poverty and domestic problems of poverty. That is to say, I think thus far too little thinking has gone into the question of how can we more effectively deal with our problems of domestic rural poverty by dealing with international problems of poverty.

In terms of the kinds of resources, techniques, human and material, which are needed to deal with international poverty problems, particularly the world food supply problem, to what extent in answering those problems, or responding to those problems, can we deal simultaneously with problems in rural areas in this country?

The 4-H Clubs throughout the United States have, I believe, performed an extremely valuable service for a segment of the population. For another segment of the rural population, the 4-H system has been relatively absent.

I would suggest the value of a new national youth movement for rural areas, specifically aimed at the rural poor, youth in rural poverty areas, and I think that we could profit by reviewing the book "New Careers for the Poor," a book by Pearl N. Reisman, which suggests we have unusual opportunities if we can begin to think about a new nonprofessional movement in this country in the human service areas.

I would suggest that by putting some programs together, like some of the programs available under the Education Act and the Neighborhood Youth Corps, and with a sizable new input of money, it would be possible to develop a massive human resources aid program involving adolescent youths in rural areas in paid aid capacities as tutors and health aids.

I feel that these young people so employed, and in many respects I would suppose around the school systems, that with these youngsters so employed it would be possible to, I think, launch a number of complementary programs to that kind of program.

I would suggest, for instance, that all youngsters in such programs on a regional basis be welcomed to special summer camps in every State of the Union for an enrichment program during the summer. I would suggest these kinds of aid capacities would be both an education for the youngsters and a source of income for their families.

I would suggest, furthermore, that many of these youngsters might graduate into preparation for a foreign aid program. That is to say, with some type of interconnect or combine between high schools and land-grant colleges, why couldn't a large number of this even larger group be recruited on a voluntary basis to provide for foreign aid service?

Certainly the needs of underdeveloped countries for this kind of technical assistance, and as well for agricultural technical assistance, is practically unlimited.

I believe that it is feasible to think in these ways. I think, for instance, it is feasible to think that the job corps conservation centers could perform a much more valuable task than they are now, by being built into training grounds for youngsters for foreign service.

One might ask where would the money come from for such an investment. I would suggest that in view of all the criticism of AID, it might be feasible to think of a reallocation of some of that money for this purpose. At least we would be getting foreign technical assistance ambassadors, would not necessarily be reaching from the top down into foreign poverty populations, but possibly from the bottom up.

I would like in relation to the points that I made to particularly commend the Office of Economic Opportunity for its program with Indians and migrants. My organization has recently been criticizing the Office of Economic Opportunity for certain things, and so consequently I welcome this opportunity to commend the Office of Economic Opportunity.

I think that, actually, in these two areas, as they in turn relate to rural problems, with very limited resources available to the Office of Economic Opportunity, both of these programs have taken big steps in helping the rural poor.

Where other Federal programs have become rigid and unresponsive to the needs of the Indians and the migrants, and I refer specifically to the Department of Agriculture and the Bureau of Indian Affairs, the Office of Economic Opportunity programs have brought new hope to substantial parts of Indian and rural migrant populations despite substantial opposition from institutional forces opposing change, and particularly to be commended is OEO's strategy of working directly with local Indian leadership and leaders in the migrant camps.

Certain substantially more money should be made available to OEO for continuing and enlarging these programs.

Mr. Chairman, thank you for allowing me to make these remarks.

The **CHAIRMAN**: Thank you, Mr. Boone. I am sure that members of the Commission would like to have dialog with you. We will start on the left here, if anyone has any questions.

Mr. **ROESSEL**: Mr. Boone, I would rather call you Dick—Dick, perhaps you could share with us some thinking.

I would also like to completely agree with your statement with regard to the OEO programs and the benefits that have accrued to the Indians and migrants as a result. We both agree to this, and Indian people who have appeared before this Commission have further substantiated this fact and their gratitude and appreciation for this kind of a flexible program.

What can we learn from that experience, and what would be your recommendation to OEO and to us as to the lessons that experience teaches us as to how this might transfer and have equal impact with other groups of people in other sections of the country?

Mr. **BOONE**: Well, the first thing that I would say is that launching these kinds of programs requires political courage, political courage applicable to the institutional forces within the Government, and I mean competitive bureaucracies, and political courage as that relates to the larger political question in communities throughout the country.

I think that there is a valuable payoff for that courage, and that is first of all a feeling of trust between what I will call representatives of the poor and that agency which is identified as being its representative—that is to say, in this case, the Office of Economic Opportunity. There can be no substitute for that feeling of trust, and I think OEO has found that out in other areas, where in fact the poor have attacked it.

With respect to the question of replication of this experience, I could only say that unfortunately the poor are not organized. If the poor were organized, and prepared to move, if not nationally, then regionally, I think OEO could find a new constituency, and a political constituency which would have some value for it in its various battles on the Hill and in the executive branch of the Government.

Such an organization does not yet exist, and I must say that the question of how far the Office of Economic Opportunity can go in embracing procedures which have been common to its work with Indians and in many cases to migrants—not in all cases, of course—that that question is basically a political question.

I think that out of fear more than anything else in some parts of the country, dealing particularly with urban problems and urban populations, there has been more of a tendency to encourage participation of the poor and their representatives in programs undertaken through OEO.

But that is an unclear process in urban areas, and certainly is by no means a shining example or a companion example to what has happened with the Indian populations.

The CHAIRMAN: Mr. Gay?

Mr. GAY: Mr. Boone, this morning we had the Under Secretary of Labor, Secretary Cass, testifying, and I asked him a question paraphrasing former Governor of Tennessee Clements in saying, "How long, Oh Lord, how long" would it be until maybe we could get some of the things accomplished that he advocated and that had been advocated for 30 years.

I want to compliment you on the second page here, in particular, recommendation 4. You have used a principle of quid pro quo with respect to minimum wage, workmen's compensation, and unemployment compensation, and to my knowledge this is one of the rare examples that we have seen in these hearings where the practical "You scratch my back; I'll scratch your back" application has been suggested.

I want to publicly state for the record that I think that you're on the right track there, and I think that until more people begin to think of this quid pro quo formula with respect to the employer—and I am not sitting here bleeding for the employer; don't misunderstand me, but I am trying to be practical in seeing what has been undone in 30 years—I strongly feel you are to be commended for sticking your neck out on that.

Mr. BOONE: It's out every day. (Laughter.)

The CHAIRMAN: Are there any more questions from this side of the table?

Mr. King.

Mr. KING: I was very interested as a farmer from Illinois in your comments on 4-H Clubs, in which I have a long history of participation, and I agree with your statement that it doesn't reach a certain group.

Would you like to make a recommendation that might enlighten or guide us in that area?

Mr. BOONE: Well, if you mean a recommendation pertaining to the future of 4-H Clubs——

Mr. KING (interrupting): No, the people that the 4-H doesn't reach, or is that too complex?

Mr. BOONE: I don't think it is too complex. I think that it's generally agreed that that particular institution, valuable though it has been, is not reaching great numbers of youngsters from poverty areas, and particularly youngsters from migratory groups.

Now, whether the 4-H system can be convinced in one way or another to try to effectively reach that population is a question I will put on the side for the moment.

But I do believe that youngsters from these areas, poor youngsters, can be involved in a new kind of national youth undertaking which would increase their self esteem, which would put money into their pockets and thus would be very important to the family income, and which would begin to supplement the kinds of professional resources that are in such short supply in so many rural areas—teachers, health workers, and the like.

Unlike some professionals, I don't believe that you have to have a master's degree in social work, or have to be a registered nurse, or have to have a degree in education in order to do any one of these things.

It is important that they be done, in many instances under the supervision of professionals, but in some cases I am not even sure of that, and I do believe that they could perform many, many valuable services.

Furthermore, I think that through such a program it becomes possible to link that program up with other programs, thus increasing the options available to young people as to what they are going to do with their lives, particularly from rural areas, and simultaneously benefit the life of rural areas.

Now, I don't think that is so difficult to do, except for two things. One, the money to do it, and in view of some of the recent expenditures of the Government with respect to youth groups, I would suggest that it might very well be a good idea to utilize some of that kind of money for these kinds of purposes—not from the same agency, however. (Laughter.)

I would further say that the only other thing I know of which would limit the possibilities of this undertaking is will, willpower. I don't think it's difficult to do if we have some people who are willing to put their shoulders to the wheel to do it, and there is some money to do it with.

Mr. KING: As a practical suggestion, Mr. Gibson had a conversation with me on the bus about establishing beef heifer clubs in Alabama. Are you thinking on that level?

Mr. BOONE: I am thinking on that level, and I am thinking not only agricultural development, but human services, which are so much in need in those areas.

Mr. **King**: Thank you.

Mr. **Ford**: Mr. Boone, some of the testimony that we have had before this Commission has pointed to the problem of the lack of managerial and entrepreneurial skills in some of the rural areas.

You have suggested here capital loans to workers displaced by new technology. I wonder if you might amplify by specifying some of the purposes that you would seek for some of these capital loans, and also comment on the ways, if you see the lack of managerial skills as being a problem, how these might be provided.

Mr. **Boone**: First, I would fully agree that there is a shocking lack of managerial and entrepreneurial talent in rural areas, and as you gentlemen and ladies know better than I, it has been drained off.

As an aside, again defending the Office of Economic Opportunity, I would say that part of the criticism of the Office of Economic Opportunity—that it has not put enough money into rural areas in comparison to urban areas—that is a direct result of the inability of the Office of Economic Opportunity to find enough people in rural areas capable of planning for the use of that money.

Now, one might not like the standards invoked by the Office of Economic Opportunity in that regard, but having at one time been with the Office of Economic Opportunity, I can tell you that on many occasions an attempt to find placement for rural money, or money earmarked for rural areas, was very difficult with the standards given.

With respect to the development of entrepreneurial talent, the protection of it, and that is to say to keep it from moving out of rural areas, and then the utilization of it, I would refer primarily to my Point 2, which would be the possibilities of developing a three-point institutional program in rural areas.

The idea here is that given a careful selection of rural model areas and the bringing together of economic action institutes, it should become possible to plan for the development of new kinds of industrial and related institutions in rural areas.

I would say that depending upon the kinds of persons who can be involved in that kind of institute, and I am referring now to persons who would be imported into rural areas, it would become possible to develop an effective community industrial trust in any one of those areas.

I think it would be possible, depending upon the work of the economic development institute, to produce plans which could be defended in terms of economic risk capital. I think that that risk capital could come into the trust from both public and private sources.

Now, the real question becomes, what then happens to that money within that system, and I come back to my previous point that too often the influx of capital goes to reinforce peonage, particularly in rural areas.

I would strongly suggest that within these model areas there be a new and dramatic experiment, and that is that the residents of the model areas become stockholders in the new corporation, that each resident of the area become a stockholder in the new corporation and that ultimately there becomes a transfer of ownership, in fact, from the trust to the stockholders through the retirement of the principal on the loan.

Now, I would suggest that if this could be tried, and I think that it is feasible, not only would we begin to stabilize the rural population, but we would begin to enrich it, and we would begin to offer to it a new kind of economic base.

The CHAIRMAN: Dr. Hutchins?

Mr. HUTCHINS: I would like to ask Mr. Boone to comment on the overseas activity of your National Youth Corps with the Peace Corps.

Mr. BOONE: I would say at the moment that the Peace Corps—let me turn it around just a moment.

I think that a great deal of the AID activity brings in highly trained specialists, professionals, who too often move into other countries and operate from the top down. Often they never see the "down." The Peace Corps has recruited a tremendous number of idealistic, highly capable young people, for the most part young people, who have moved in to work from the "down," from below.

I would like to see some consideration given to feeding into both systems, both AID and the Peace Corps, young people from rural areas trained in agricultural development, construction, and health services, primarily.

AID and the Peace Corps are in competition. I would like to see the competition escalated, because I think that in the long run if these people can be moved into both systems they can influence both the Peace Corps and AID. Of the two, obviously, I would say it is most urgent to influence AID.

The CHAIRMAN: Anyone else on this side of the table?

Mrs. CALDWELL: Would you elaborate a little bit on what would go into human service corporations?

Mr. BOONE: Well, if these same members of these model community areas were, with some assistance from the outside, able to create community human service corporations, I would say that those corporations would provide legal services, health services, a variety of home management services, in some cases recreational services, and possibly in some instances educational services, and thus the residents, through participation in and partial ownership of the corporation, would be able to purchase those services that they needed the most, and reject those services of which they wanted no part.

In a sense this is an extension of the concept of consumer power, and is in part an attempt to begin to deal with the problem of the service bureaucracies, and the problem of who controls those bureaucracies.

The CHAIRMAN: Mr. Gibson?

Mr. GIBSON: You began your statement to us with a reference to something which I am very interested in, and this is the power aspect of these matters.

Mr. BOONE: Yes.

Mr. GIBSON: We have seen recently a very dramatic entry into some of the circles of power of the people we are talking about, and in many places this has made the difference between there being programs and there not being programs.

Mr. BOONE: Yes.

Mr. GIBSON: Because this difference has been made, and it is a difference, there is a much more tender approach to this sort of activity, which I think adds to the dimension that private groups must play in this particular area, and since much of our deliberation, and some of our recommendations, might be helpful to other than the governmental, would you talk with us for a short time on the kind of resources that can, should, and must go into developing citizen participation increasingly among the population we talked about?

Mr. BOONE: Well, I would isolate three factors among many. One, private capital; two, private entrepreneurial ability; and three, organizers and advocates.

Let me start with the last first. When you talk about citizen participation, I assume you are talking about the ability of the citizen to make choices, and not have choices made for him.

I think in the types of communities to which you are referring you are naturally led, if you want to protect that system of choice, you are naturally led to the need for dispossessed people, dispossessed in one form or another, to band together for purposes of common interest. Banding together is a nice term. The real term is organize.

I find that it is very difficult to help poor people to organize unless there is a program. We are going through that now. We are going through the issue of street-corner orators, we are going through the instance of broken promises, we are going through the instance of uptown meetings that lead nowhere, because there are no programs onto which these aspirations can hook.

So, first of all, I would say there is a need for sophisticated organizing. I refer now only to rural areas, but many of my remarks would apply as well to urban areas. I think there is a gross lack of this kind of talent applicable to rural areas.

I mention advocacy, because I think there are a great number of resources around which can be brought, or can be used, for programs related to organizing tasks, resources which are hidden from poor people, or which, if not hidden, are difficult to get either by way of bureaucratic problems or other kinds of problems.

I think, for instance, in some of the community action programs in large cities we have seen a systematic effort to exclude small groups in the cities from knowledge about available resources. So in that respect, the CAP umbrella system becomes part of a conspiracy to keep knowledge of resources under it from the public, particularly groups that are out of favor politically.

I think there is a need for a kind of political information system which can grow into an advocacy system. Once you know what the resources are to which you are supposedly entitled, how do you go about getting them?

That is the first part. The second part is new capital. I think new public capital is available if you fight for it, but I think it is complemented and supplemented by private capital. I am no expert on how to bring private capital into this fray, but at least in urban areas there is now a great deal of talk about the utilization of private capital for rebuilding the cities.

Certainly it is an extremely valuable ingredient.

Third is the need for new entrepreneurial ability, technical assistance. I don't like the word, but it is that. Once you have advocacy going for you, and once you have at least a possibility of new resources through advocacy in the public sector and private capital, how do you make it pay off?

That is basically a managerial problem, and managerial ability is in short supply in rural areas. So I would say that these three ingredients are basic to any movement on the part of the rural poor.

The CHAIRMAN: Mr. Davis?

Mr. NEIL DAVIS: I would like to ask one question. In a State, or in an area within a State, where the political officialdom is opposed to the whole OEO concept and where there is the requirement that these programs have to be approved at various levels, the Governor's office and on down, is there any disposition at the Washington OEO level to just go to the heads, or just go around these people and go ahead anyway and establish a program and permit people who desperately need the assistance to share in this thing?

Mr. BOONE: You, of course, are addressing that question to someone who is not in the Office of Economic Opportunity.

Mr. NEIL DAVIS: I know that.

Mr. BOONE: But I will respond nevertheless. (Laughter.)

Is there a disposition to go around these kinds of political blockages? Certainly there is the authority to go around those blockages. The Director of the Office of Economic Opportunity can override a Governor's veto. It is not an easy thing to do, and it is obviously very politically risky.

I must say that I have sympathy for Mr. Shriver when people come to him and say, "Why don't you override this and why don't you override that?" The reason I have sympathy for Mr. Shriver is because he has no option but to go to the Hill every year. His money is tied to an annual appropriation.

All you have to do is look at the makeup of the committees which Mr. Shriver goes before to understand his plight, particularly if he wants to be liberal, experimental, and, in a sense, just to the interests of poor people.

I think that Mr. Shriver would be much more disposed to move aggressively in that area if some of us could muster more political support for him so that he could be protected in some degree in those movements.

In some cases, Mr. Shriver, or the Office of Economic Opportunity, has been quite aggressive, quite supporting of the "around, in" movement. I won't go into the history of the Child Development Group of Mississippi here, but I will say that over the objections of Senator Stennis and Senator Eastland, and over what I had assumed to be the objections of relatively large numbers of highly placed people in the executive arm of the Government, and over the objections of at least some groups in this country whom we would assume to have been supportive of the Child Development Group in Mississippi, Mr. Shriver finally, in fact, funded the Child Development Group of Mississippi once again.

This is what I call a real risk operation for the Office of Economic Opportunity.

I think we can say this: No other department in the Federal Government would have done this. When you ask the question is there a disposition, I lead you back basically to the political question, "Can there be a disposition?"

Mr. **NEIL DAVIS**: In cases such as that, where you are going to lose those two votes anyway, it wouldn't be quite as risky. (Laughter.)

The **CHAIRMAN**: Are there any further questions? (No response.)

Mr. Boone, we are appreciative of your coming before this Commission.

Mr. **BOONE**: Thank you very much.

The **CHAIRMAN**: Next, we have the pleasure of calling the Honorable Ross Davis, of the Department of Commerce.

Mr. Davis.

STATEMENT OF ROSS DAVIS

Mr. **ROSS DAVIS**: Good afternoon, Mr. Chairman, and Commissioners.

I am accompanied on my right by Dr. Robert M. Rauner, Deputy Assistant Secretary of Commerce for Economic Development Planning, and on my left by Dr. Martin C. McGuire, Director of the Office of Program Plans and Analysis.

Mr. Chairman, with your permission I will summarize from this statement. The statement acknowledges, obviously, that despite the thrust of the national growth and prosperity and despite the effect of many government and private programs as well, a substantial portion of our rural population has not participated in our general prosperity.

It also acknowledges that the costs of this and other poverty are substantial. The losses from lack of productivity are substantial and, probably more important when viewing the cost picture, it recognizes that the costs of intervening to assure reasonable prosperity for all our people are much less than the costs of doing nothing and paying for the effects of poverty.

Rural poverty is distinctive, perhaps, but it does not stand in isolation, insulated from the problems of the cities.

As we say, and you discussed it yesterday, I believe, it only takes a bus trip to change rural poor to urban poor. Therefore, what happens in a rural area, then, is affected by what happens in the economic life of the city, the county, the district, and the State, and of the region

It is our belief that the answer to poverty, rural or urban, in a major part lies in our business and industrial growth, how it fares and where it goes.

Narrow and parochial views of the causes and effects of poverty must, I believe, in our business be avoided like the plague. The proliferation of programs to treat the ever-increasing symptoms of poverty are at best confusing, and at worst disruptive and counterproductive.

If, as we believe, the ultimate solution to these problems lies in increasing the efficiency of our free enterprise economy and in achieving a better distribution between people and jobs and a steadily growing economy, then we urge a most broad view of the problems of poverty; and our programs, the attack on poverty, must be imaginative and comprehensive in the complete sense of the words, and highly coordinated.

In our judgment, "band-aid" programs will not solve the problem.

So much for the summary of my statement. In casting about for ideas on how we might help this Commission, we thought it might be useful to indicate some dimensions of the poverty problems, rural or otherwise, which are based on our preliminary and tentative EDA experience, and perhaps this may represent a useful, slightly different, point of view for the Commission.

Let me get into it by the risk of oversimplifying, in telling you about certain aspects of our program and how we have approached our efforts to come up with—I hesitate to say solution—but a first answer.

First, under our act, we have a somewhat inflexible and statutory definition of, if not poverty, at least problem areas, and you remember that ours is the regional economic development approach.

What the act says, again keeping it simple, where unemployment in a specific area exceeds certain figures, 6 percent, then this by definition is a problem area, and on our maps we color in the county, if it is a county, and our programs, the full range of our programs, are available to this area.

Another example of this classification: If this particular piece of real estate is characterized by low median income, 40 percent below the national level, this then becomes another definition of a problem area, and we draw this in on our charts and the full range of our program is available.

We have at least seven such definitions, certain definitions having to do with out-migration, which is closely related to low income areas.

We have Indians and so forth. But let us stick, if you will, with the concept of unemployment and low median income. Pursuing the framework of our act, we have said that our mission in very simple terms is to change these statistics so that the disparity between national averages and the average prevailing in that particular county or grouping of counties is less than the threshold specified under our act.

This is important to us because we feel that we need a discipline, a measurable objective for the agency to carry through on. We are engaged in economic development, and everybody knows that economic development is good for you, and therefore under this approach anything you do that assists economic development is by definition good.

Well, we don't want to operate that way, simply because we want to set up standards for deciding what kinds of activities are effective. Our basic definition of effective is the effect on the statistics.

One other point, or two points: I have been chided back at the office for not talking about people, but talking about statistics. So let it be clear that when I am talking about statistics, I am talking about the people who represent statistics. This is important to us, because if the name of our game is to change these statistics, then we are most interested in those activities which have a direct effect on the unemployed, the people who make up the statistics. Therefore, we try to select expenditure activities that are directly coupled with employment of the unemployed in this particular area.

In looking at our problem from a somewhat abstract point of view, and probing into it, we began to get, not novel, but for me and perhaps some of our colleagues, new views of the problem and the solution.

To reduce unemployement statistics in a specific area, you can do it in basically two ways. You can bring jobs into that area and put the unemployed into them. You can also move the unemployed out.

In either event, under our simplistic approach, the problem is solved. What this did was get us intensely interested in the flow of people and the flow of business. Where are people going? Where is business going? And are these two things, two critical elements, winding up in the right or wrong places?

What, if anything, can or should be done to get a better and more efficient distribution of both people (jobseekers, if you will) and business (jobs, if you will)?

We did some projections to try and analyze where people are going, where jobs are going, and what is going to happen to our so-called problem areas between now and 1975. We thought, and I hope you ladies and gentlemen will agree, that it might be of interest to this Commission to show you some of our tentative conclusions, and we have some charts that Mr. McGuire and his people have developed, which were just completed within the past few days, which I hope will give you some additional insights into the scope and range of the problem.

Perhaps you can see a linkage between the problem of rural poverty in a very narrow sense and what is going on in the economy in a broader and more generalized sense, and perhaps get some ideas about how the efficiency of this movement can be improved.

Will you explain what we have here?

Mr. McGuire: Can you see it all right?

To expand on what Mr. Davis said for just a moment, it is important to point out that we are speaking about projections for the year 1975. We got our hands on some brand new models and data for making economic projections of employment, income, and wages by State and by county, and we add to that the results of a request by the Bureau of the Budget to project alternative populations to the year 1975.

I won't justify the reason for making projections. It is a Government requirement. It is pretty self-explanatory. I imagine that it would be interesting to any agency like ourselves to know if we are swimming with the tide of economic growth and development, or against it, and how we can make basic economic trends, or swim with them.

If you look at the colored areas here, the green and the blue on this map, those are the areas that were qualified basically on the grounds of low income, that are presently qualified for our assistance, because of low income.

These areas are by and large—they are exclusively, almost—rural poverty areas. The difference between the green and the blue is that the blue represents areas which qualify because their income is 40 percent of the national median family income or less, and the green areas are low both incomewise and populationwise.

During the period 1950 to 1960, they lost 20 percent of their population.

I will lay over on top of this our projections for the year 1975. In this case, the most important assumption to remember is that for making this projection we assumed 4 percent national unemployment rate from now to 1975.

This might confirm some intuitive opinions that you have in any event, but it does elevate, and it is interesting to us because it did confirm the intuition, that the problem of low income, of low area—by area I mean basically county, of low county income; in other words, a poor local, and here rural, economy—that that is a long-term problem.

We cannot, in our studies, find any basic trends in the American economy which will wipe out these disparities, the spread and the distribution of median family incomes.

The reason for that is easy to explain, and possibly most easily explained by comparing the problems of rural low income with the other problem we face of more or less urban unemployment.

The unemployment problem that we face is basically one on the margin of the economy. It may be 5 percent or 10 percent unemployed at the most in a local economy, and local programs.

When you are talking about low income in areas, the problem is the whole economy. It is the industrial structure, the industrial mix of the total economy, and in my opinion is much less tractable than the problem of unemployment.

You have got to worry about the whole economy of the area, and you cannot just worry about that margin of 5 percent of the work force, or 10 percent. I have one more chart I will show you if you wish.

Mr. **Gibson**: Before you remove that, what we see there, or what we saw before the overlay was put there—were all of the presently eligible counties in the United States?

Mr. **McGuire**: All the ones that are eligible on the basis of low income as opposed to unemployment.

The next chart has to do with unemployment. But the problems are quite separable conceptually and statistically. There are areas that have both—there are, rather, few areas that have—by area I mean county—there are rather few counties that have, in the United States, both low median family incomes and high unemployment.

Mr. **Henderson**: I didn't hear your testimony, but I would have to challenge that "very few."

Mr. **McGuire**: Very few?

Mr. **Henderson**: I won't pursue it at the moment.

Mr. **Cass**: I think it is a good point.

Mr. **Gibson**: It is a very relevant point.

Mr. **Neil Davis**: It is a relevant point, and I think it is of interest to the Commission.

Mr. **Rauner**: I will supply a report by a predecessor agency in this way, by taking the 1960 census data for the 300 worst counties in the country ranked in the order of median family income, that is the lowest median family income at the top of the list and going down 300 of them; and taking the 300 worst counties in the country in terms of their unemployment rates, that is to say, the highest unemployment rate at the top and on down the 300—our question is, how many counties do you think are common to both those two lists. Make a guess.

Mr. **HENDERSON**: I know something about how many it would be, and when you say very few, I would say, for example, that I could name a hundred counties with high unemployment rates and having a——

Mr. **RAUNER** (interrupting): There were exactly 30 counties that were common to both lists.

Mr. **HENDERSON**: What did you refer to as low income?

Mr. **RAUNER**: The lowest income the census showed, a figure like $1,380 per family in a county.

Mr. **RUDDER**: In other words, you took the 300 counties having the lowest income?

Mr. **RAUNER**: Yes.

Mr. **HENDERSON**: If the lowest income was $1,000, you took that $1,000 as your index?

Mr. **RAUNER**: County X, $1,000, and so on through a list of 300 counties.

Mr. **HENDERSON**: What was the top income in those counties?

Mr. **MCGUIRE**: About $2,000.

Mr. **HENDERSON**: Out of the top $2,000, 300 counties, that there was very little unemployment; that is your conclusion?

Mr. **RAUNER**: I am saying that the unemployment rate was not very high in the low income counties.

Mr. **HENDERSON**: What would you say was "very high"?

Mr. **RAUNER**: Not substantial——

Mr. **HENDERSON** (interrupting): Give me a figure. What statistical measure you are using, what unemployment rate are you using when you say it was not high?

Mr. **RAUNER**: Well, let me see. I don't have the figure in mind, but I would say not above 8 or 10 percent.

Mr. **HENDERSON**: My God, how much more do you want?

Mr. **RAUNER**: The 300 worst counties with the worst unemployment rate started at 30 percent.

Mr. **MCGUIRE**: We are not judging what is good. This is meant to be a factual statement with no value judgment at all—A factual statement that the worst counties by median income and the worst counties with high unemployment are by and large different geographical areas.

Mr. **HENDERSON**: You said there were very few counties with low income and high unemployment rates at the same time.

Mr. **MCGUIRE**: I should have said relatively low. I left a word out.

Mr. **LAWRENCE DAVIS**: There is no point in laboring it.

Mr. **HENDERSON**: The other point I want to make very quickly is—of course, the issue here is whether you used measured unemployment.

Mr. **ROSS DAVIS**: We take whatever the Bureau——

Mr. **HENDERSON** (interrupting): This has to be brought out.

Mr. **GALLEGOS**: I wonder about such factors as family income versus an individual breadwinner's income. The factor of measured unemployment, many jobs are not covered under unemployment insurance laws, and there is a question of the size of the family.

According to your map there, along the Southwest, there are virtually no counties covered, other than a few in the South.

Mr. **McGuire**: What you see there right now represents the counties that are qualified on the basis of law today. We don't mean to say that they may not be poor, but we do mean to say that they are not qualified on a legal basis.

Mr. **Ross Davis**: These are the very poor counties where we work.

Mr. **Gibson**: It also talks about the people we are talking about, minorities in a much larger population, which would not statistically bring that county into these categories.

Mr. **Bonnen**: Your county statistics blur that.

Mr. **McGuire**: Some cities are in here. There is poverty in them, but the statistics of the city blur the poverty.

Mr. **Brooks**: This should tie in to employment to some extent, underemployment. You have many people working, but they don't make very much.

Mr. **Ross Davis**: There are two separate and distinct problems. You don't run low income type programs to cure unemployment.

The **Chairman** (Mr. Henderson): Your data on unemployment was taken from the monthly reports, from the Labor Department reports, or were they taken from the census just like the income data?

Mr. **Rauner**: What I was talking about was from the census.

The **Chairman**: This distorts the whole thing.

Mr. **Ross Davis**: I represent the Department of Commerce, but the data we have available——

The **Chairman** (interrupting): Mr. Davis, in other words, if you use 1960 unemployment data provided by the 1960 census, all of us know that is unemployment at a particular day.

Mr. **Ross Davis**: We also understand the distinction.

The **Chairman**: I challenge this statement that there are very few counties that have low income and high unemployment rates.

Mr. **Rauner**: You won't believe it, but it is true when we make the same comparison, when we compare unemployment rates reported through the states——

The **Chairman** (interrupting): Which includes only insured unemployment.

Mr. **Rauner**: But it has an adjustment to include the uninsured.

Mr. **Gibson**: Can I submit that much of the testimony that we have heard says that many of the areas we are discussing contain only the very young and very old of the population that we are talking about? The elderly are not counted in the Labor Department's statistics, the family incomes will be shown as low, but they will not be shown as unemployed, whereas the population which has migrated from those areas into the urban areas will be shown as unemployed.

Mr. **McGuire**: That is a good point.

Mrs. **Jackson**: I am interested in the last one. What is the pink?

Mr. **McGuire**: First of all, they show our projections of which areas of the country in the year 1975 will have low incomes by the same criteria——

Mr. **Rudder** (interrupting): In other words, your pink is the prediction for 1975?

Mr. McGuire: Yes. Let me make it clear that this is relative income. Between now and 1975, the median family income in this country will rise by about 30 percent. So if we took 1960 income standards, by 1975 no one will be poor by 1960 standards, or relatively speaking. Very few people will be poor by today's standards.

But by 1975 standards, there will be, relatively speaking, more people, more areas with more people living in them.

Mr. Rudder: What you are saying is that you are not going to change the map much by 1975.

Mr. McGuire: I am not saying we are not.

Mr. Rudder: We are not, speaking of us as a people.

Mr. McGuire: As a national question, in and of itself, we won't change the map.

Mr. Ross Davis: Unless something is done. It is a statement of the problem, and it is a statement of the worst part of the problem.

Mr. Gibson: An increasing disparity.

Mr. Rudder: Should we lift up this area in here (indicating) and people begin to make more money and demand more money and so on, would not the "haves" of today siphon the abilities off and still leave us in a relative position?

Mr. McGuire: That's asking for an opinion, I am afraid. I can't answer that with any hard facts.

Mr. Rudder: What would be your opinion?

Mr. McGuire: It is something I would be worried about, also. By the way, I think it is a question that can be answered with factual analysis, and if this were 18 months from now, maybe I would have an answer.

We are working on migration, and the terminals of migration. There is a lot of very interesting work just about to come to fruition in this area.

Mr. Rudder: Does anyone else have anything on the map?

Mr. Gallegos: I think you stated this represented the 300 worst counties.

Mr. McGuire: No, sir, that was in connection with the statement I made that there are relatively few counties that have both high unemployment and low median family income, and then Mr. Rauner, by backing me up, we had taken the worst 300 by unemployment standards and the worst by income standards, and Mr. Henderson, he said, "What do you mean by low income?" and the 300 low income counties, the best one off of those 300 was the one where the highest income is about $2,000.

Mr. Rudder: Let me ask you the $64 question: Which is better, to have 30 percent unemployment with high income, or those 300 counties with a low income and everybody employed?

Mr. McGuire: I am very glad you asked me that.

Mr. Ross Davis: We are locked in a struggle on that very issue.

Mr. Rauner: If we knew the answer, we wouldn't be here.

Mr. Rudder: We are seeking that answer.

Mr. McGuire: Not only this agency, not only EDA, but all agencies when they spend money and select projects or fund plans, or if they in any way spend substantial sums of money, they implicitly make that judgment about which is worse than the other, because they put so much money in one kind of area and so much money in the other, so there is an implicit judgment involved.

It is probably worthwhile studying to make it more explicit, I would say.

Mr. GIBSON: I see no conflict in that particular question.

Mr. HUTCHINS: Of the 300 counties, how many do you have there?

Mr. MCGUIRE: There are about 200 there, and there are about 250 pink ones.

Dr. HUTCHINS: It gets worse?

Mr. MCGUIRE: Yes.

Mr. RUDDER: May we move on from the map?

Mr. BROOKS: May I make one statement: There has been an argument that one of the reasons you have unemployment is that people on the bottom of the skill level price themselves out of the market. Whether it is true or not, it is something that I think you have to take a look at to see if there is any basis for that.

Mr. RUDDER: That is the reason I asked the question, which was the better.

Mr. ROSS DAVIS: May I make an unequivocal statement of my own personal opinion, and probably that of the Department of Commerce?

In relation to my earlier statement about statistics and people, we have in our act a definition of the problem. It says that when the median income is 40 percent of the national average, this is a problem area within the definition of the act.

This does not say that we think that there is no poverty in a place where everybody had a higher income, like 50 percent of the national average.

We work with whatever we have. The statistics we have and the legislation we have, and our job is to get a better distribution. Maybe we could move to the other one.

The CHAIRMAN: Will those charts be made available to this Commission?

Mr. ROSS DAVIS: Yes. We will have to get them reproduced.

The CHAIRMAN: I think they will be very revealing.

Mr. MCGUIRE: This one has to do with unemployment. We can start off with the areas that are qualified now, December of 1966, on the basis of having high unemployment.

Let me define high unemployment as legally defined, 6 percent or greater.

The CHAIRMAN: Defined where?

Mr. MCGUIRE: In the act that authorized our agency.

The CHAIRMAN: In the EDA Act?

Mr. MCGUIRE: Yes. That is what I mean when I refer to the high unemployment areas. I mean 6 percent or greater.

When you think about it, one way of looking at the employment is that the number of jobs is too small for the number of people, or the number of people is too high for the number of jobs. The two sides of the same coin, and when you are trying to look ahead, as we are, then the question arises, where are the new jobs going, because we know that millions and millions of new jobs will be created in this decade, and where are the people going, and are they going to the same place, or, roughly speaking so?

As I said a minute ago, we have some models, some economic methods, that I think are reasonably reliable for projecting where the jobs are going.

Mr. RUDDER: That map represents where the unemployment is today?

Mr. MCGUIRE: That is right. This is where you might say there are too many people compared to the number of jobs, or too few jobs for the people.

We have some new work that has just come out within the last year which we developed for projecting where the jobs are going, and what we did was, we asked the Bureau of the Census to make alternative projections of where the population is going.

We don't have any really good methods as yet for predicting where population will move on a county-by-county basis. This is again something that probably will be available in a year.

So, not being able to just precisely match up jobs with people, where the jobs are and where the people are, we asked ourselves the following questions: Where are the jobs increasing faster than the population of the labor force, and where is the population increasing faster than the jobs over the next 8 years to 1975?

We came to two conclusions. The first that shouldn't really surprise anybody is that in the West, the southwestern part of the country, jobs are, have been, and will continue to increase faster than population. That is why a lot of people move in that direction.

The second conclusion that we came to that is not so obvious, although I think it is intuitively supportable, is that in the biggest cities of America, the population of the labor force, is growing, and promises to continue to grow, much faster than employment opportunities. In other words, population is growing faster than jobs are in the larger cities.

Mr. ROSS DAVIS: The problem in the cities is going to get worse unless something changes.

Mr. MCGUIRE: During the decade from 1950 to 1960, large numbers of people migrated to the central cities. Biological growth—they have children. They reach the labor force in 1975.

To illustrate what we have here, I have been a little intricate here, because I do not want you to think we are predicting particular unemployment rates. It is labeled that way in a kind of shorthand, but what this shows is area where population is growing faster than jobs, and by the biggest factor.

The worst 250 counties of the country in that sense are these (indicating). Now, do you follow me? That is where the population growth is higher than the job growth.

I wouldn't want you to pin me down on this for any one particular county, but I think in sets and groups there is much more meaning to it.

Roughly speaking, this area in here, it looks like the problem of high unemployment, or too many people for the number of jobs, will continue in Appalachia, and it looks down here in the Ozarks and along here, this eastern seaboard.

Of course, we don't have anything out here, because the unemployment that exists in California is just because people are going there too fast for the number of jobs that are being created.

Mr. ROSS DAVIS: That is changing under this projection.

Mr. MCGUIRE: Again, this just shows the areas in which the population is growing much faster than the number of jobs.

Mr. RUDDER: Do you have a graph showing where the jobs are going to be?

Mr. MCGUIRE: No, I don't. The next one shows the worst 250. We want to look at the next 250, the jobs are already in here. This is ratio of population growth to job growth. If that is high, it is bad for an area.

Mr. ROSS DAVIS: These are the areas where the imbalance between jobs and population is worst.

Mr. MCGUIRE: These are the people—where the people either have to move out of, or many more jobs have to move to. Look at the green spots. You can see them on both——

Mr. LAWRENCE DAVIS (interrupting): Could I ask a question: Does that mean that where population is increasing fast that the rate of jobs is not increasing as fast as the rate of jobs in other places, or just because the population is increasing so much faster?

Mr. MCGUIRE: Roughly speaking, the normal population growth is about the same in any collection of counties. Death rates are pretty close around the country, and birth rates are pretty close, so normal population, biological population growth isn't very dissimilar, for these kinds of rough projections.

Mr. ROSS DAVIS: This is migration.

Mr. MCGUIRE: I should start on this once again.

Mr. RUDDER: No.

Mr. LAWRENCE DAVIS: My point is this. Maybe jobs are increasing in California and increasing in Michigan, but more people are going to California——

Mr. MCGUIRE (interrupting): So their jobs will have to increase a lot faster.

Mr. RUDDER: That brings me to a problem. You have all these sheets, statistics, and you show where the jobs are going to be. What are you going to do now to bring these balances together, whether it is where they live, or movement, or what are you going to do?

Mr. ROSS DAVIS: Well, it seems to me—what this says to me simply is this, that we have to provide alternatives to present migratory patterns, particularly with people and with industry.

People are moving into cities, and the cities can't absorb their people jobwise. Therefore, by creating alternatives, either jobs in the rural areas or jobs in intermediate areas, you get a better distribution, and——

Mr. RUDDER (interrupting): What are your plans? What do you plan to do?

Mr. ROSS DAVIS: We have one integral part, grouping of rural areas in to regions with growth centers, and it is our hope that this particular arrangement and activities that stem from it may provide the kinds of alternatives we need. People don't have to travel to the wrong places to get whatever it is they want, and this basically is the theory that is built into our Act. It says that you have to group places, group the basic unit, area or county, basically, into larger units with more growth potential, grouped around cities or incipient cities, and this is a growth unit, shall we say, and you solve the problem of unemployment in this particular unit by providing jobs in the center of the unit, if that is where it is.

Mr. RUDDER: Do you have such a plan?

Mr. ROSS DAVIS: Yes, sir. We have about 70 of these things in the works. The Appalachia program, which is somewhat independent of our effort, also has the same concept as part of the planning. We are also concerned with regional groupings, multi-State groupings, such as represented by Appalachia, but more on an economic basis.

We have five of those pretty well along, and there may be others.

Mr. RUDDER: Suppose we go ahead with Mr. Davis and let him finish his testimony, and we will come back to the questions.

Mr. ROSS DAVIS: Well, I think I have finished, Mr. Chairman. I thought perhaps these charts would show you a different dimension to the problem, and I hope it was helpful.

Mr. RUDDER: Mr. Bonnen had a question.

Mr. BONNEN: I want to compliment you. We had an earlier question of whether anybody was trying to look at these problems in terms of where they were going to be in the future, rather than waiting till they were there and going at it in a curative way rather than a preventive way.

Let me ask, apropos the migration problem, we had a lot of testimony on details of this, and it is a very complex one about which we know relatively little, and one of the basic issues involved in where you provide the services along those migration streams turns on the question of the relative social costs.

Do you have anything that would be of value to this Commission in its deliberations in the way of results, analyzing the difference between private and social costs in the cities and in rural areas for providing various social services that are necessary to successful migration and employment training?

Mr. ROSS DAVIS: If I understand correctly, at the moment nothing, but we do have some research work going forward which may give us some help on that particular point.

Mr. MCGUIRE: There is a study recently done by the Institute of Defense Analyses that might be of interest to the Commission in that regard. It gives costs of raising income and reducing unemployment by a variety of means, different Government programs.

You could get that from Dr. William Niskanen.

Mr. BONNEN: You can appreciate that when you are trying to formulate recommendations or suggest policies on what do you do about these kinds of migration flows, which represent certain kinds of social problems, political pressures, and the substantive facts that you face, these various things are very vital.

You need to know.

Mr. ROSS DAVIS: Indeed they are. Our agency is fairly heavily engaged in terms of resources, in such things as financing public works, but I really think that the high payoff activities of our agency today are in this kind of analysis, and I hope we can continue to put emphasis on this activity.

I think any agency can build sewers and water lines, which is not to say I want to get out of that business because it is important to what we are doing, but it is my feeling that much of the expenditures that are going forward under the banner of economic development and poverty are wasted, not in the sense that what you are buying is not respectable, but wasted in the sense that the return on what you are buying is a lot less, very substantially less, than what you could buy if you knew a lot more about what you are doing, and we still don't know very much.

Mr. RUDDER: Mr. Gallegos?

Mr. GALLEGOS: Yes. You indicated a simplistic view on rural problems indicated bringing industry in. Can you comment on whether or not you see the growth factor taking place throughout the development of, when we talk about bringing industry in or expanding the economy, whether you see greater hope of trying to bring industry into regions, or trying to develop greater tools to develop small local businesses from within the region and the role of participation of people so it is not just the established political-economic forces of a region that will determine what will take place?

Mr. ROSS DAVIS: Perhaps this is a responsive answer. I hope it is helpful. There must be some basic laws, economic laws, that you can't fight, and some things are not susceptible to economic growth.

The CHAIRMAN (Mr. Rudder): Let's come back to your statement.

Mr. ROSS DAVIS: I started to say that these, at least abstractly, I can visualize a place that is not susceptible to the expansion of the economy, and if anything is going to be done for the people in that place, then it must be done in relation to some larger unit which does have potential for expansion.

So I say that we must have that potential for success before we commit ourselves to activities and expenditures in a place.

I am not sure that is a meaningful rule, because it would be pretty hard to identify a place that you could say categorically has no growth potential, for with many of the places with which we are concerned I think it is fair to say that things can be done.

Then, the next question is, what will you be able to mobilize to get whatever can be done, actually done?

Another way of thinking about this is that you are trying to change a place. It is my strong feeling that you cannot change places unless the people, at least a significant portion of the people, want the place to change.

Therefore, you must be involved in the process of getting people to voice aspirations for their place and bring about changes that will accomplish the aspirations.

Mr. GALLEGOS: Is this coming about in the regional development plans?

Mr. ROSS DAVIS: Yes. One of the important aspects of the regional and district developments plans—but it is true of any place we work—is the the cultivation of, if you will, the group and the community that is going to, in effect, demand this change, and we can't do it from the outside.

We have resources, we have some ideas, maybe, but the place must have the desire, and that will be the first step.

Mr. GALLEGOS: The enabling legislation that sets you up, does it provide for that?

Mr. ROSS DAVIS: In this sense, that no area is eligible unless it files with us an updated economic plan periodically. Somebody must get involved to accomplish that.

The question is, what further involvement do we require on the part of the community before we come in, and I think that we have to have increasing disciplines ourselves in this respect.

We must not take the plan which might be done by a contractor and say, "Okay, you've got that requirement, let's go." It has to come up there.

The CHAIRMAN: Mr. Gibson?

Mr. GIBSON: Mr. Davis, I begin to be concerned that for our purposes—the population that we are looking at—there is a very basic deficiency in the legislation and in the program of EDA which we should discuss, because there might be something in our deliberations that might be helpful.

I think you characterized it when you said you deal in statistics, the phrase you used. If, for instance, we say that the cutoff point is 6 percent unemployment, and you go into an area where there is 12 or 15 percent unemployed, and the various resources of the EDA are brought in, public works, business loans, and so forth, and you get some plants attracted and in operation and you reduce the unemployment, I think that some of the dangers of area development as opposed to people development could leave that very population you went in there to serve untouched.

I have observed this in some communities myself. The kinds of skills are not immediately available. By the time people start training, other people have moved in, taken those jobs. You get an increase in population, moving in for those jobs, you get a statistical decrease in unemployment, but the people you wanted to help are untouched.

So in this operation we are talking about, the unskilled population is not developed in the concept of economic development that we have. This, to me, is at the heart of the kind of concern that we would like to discuss with you, because apparently we want to recommend to somebody something that gets at this.

Mr. ROSS DAVIS: This is why we have established as one of our basic criteria that we are interested in projects that will provide direct employment for the unemployed, as distinguished, now, from projects which generally enhance the strength of the economy.

Our priority goes to the first. You get into a kind of invidious argument, because this means that we give low priority to capital incentive projects, so some of my sophisticated friends say, "Well, you know, you are really running a poverty program; you are not running an economic development program."

Well, in the first place, our approach is not as monolithic as all that, but I think we have very limited resources, and therefore it behooves us to use our resources in a way that will most directly affect the circumstances of the people that brought us into that place in the first place.

So where you have a company that wants to open a new facility right in the heart of an area that we are concerned with, but that company is only going to employ a handful of these people, or none of them; it is going to bring in trained people from the outside; it will help the economy, but this is not a high priority project from our point of view where we stand today.

I should have a rural example for you, but in Oakland—where we came in there, we said that our expenditures were going to be coupled with agreements having to do with employment plans, that the projects we were interested in were the projects which would employ the hard core out of the ghettos and involve management that was prepared to agree with us that they would undertake specific and costly programs for the training and recruitment and all the other things required to get at these people.

So we are conscious of that problem. There is no question about it.

Mr. HENDERSON: To what extent do you cooperate with OEO in their programs, between your program and their programs?

Mr. ROSS DAVIS: We feel that cooperation with all Government agencies, including OEO——

Mr. HENDERSON (interrupting): You said somebody accused you of running a poverty program. I was wondering if you were apologizing or not.

Mr. ROSS DAVIS: No, I am not apologizing. I don't think they understand the dynamics of the economic development. I would say you can't get economic development until you solve some of the social issues.

The CHAIRMAN: We have time for one more question.

Dr. Ford?

Mr. FORD: Let me ask you a quick one.

Following up directly on this cooperation with OEO, since they seem to be moving to district development plans, too, and I know in Kentucky we have been on this district kick for some time, and we have districts overlapping districts, and there are a number of them that seem to involve the same people.

To what extent are you cooperating with OEO and other agencies in arriving at some common description of what your districts are?

Mr. ROSS DAVIS: We are very aware of the problem, first. Second, we try hard not to impose any unnecessary and additional rules or criteria, particularly in the district thing. We hope these will be reconciled at the State level.

It seems to me that the kind of cooperative effort that is necessary to do this job can be done only when all the agencies get together and view the problem in the same light. This is our idea of coordination.

Mr. FORD: Would you say it will ever be done?

Mr. MCGUIRE: We are moving very rapidly on this now, as a matter of fact.

Mr. **Ross Davis**: Let me tell you again, hopefully we are trying to organize a government group—it happened to be the Federal Executive Board—that will cooperate with all the agencies in that area in establishing a mutual view of the problems of Oakland.

Then each agency can pick up its portion of the action. OEO will say yes, this part of the problem belongs to us. HUD will say this part of the problem belongs to us. Our agency will say the same thing.

As long as you have the total comprehensive view of the problem, and if you get anything worthwhile out of my statement, if there is anything in my statement that is worthwhile, it is the point that you cannot fragment these problems. You have to look at them from the totality. You have to speak the same language, regardless of what Federal agency, what State agency, what local agency is involved, and if your plans are broad enough, then if everyone operates within the plan, and I think they will, you get the kind of coordination that you want.

Mr. **Ford**: Who is making the plan?

Mr. **Ross Davis**: Well, in this particular place, we are lending our support behind a 701 plan, which happens to be HUD. We couldn't care less where the plan comes from as long as it is comprehensive.

I am not interested in plans that talk about education, pure and simple, and relate that to nothing else, but if the plan is comprehensive we are not going to care where it comes from.

The **Chairman**: Thank you very much, Mr. Secretary, for your fine presentation here, along with your colleagues, and I think the Commission has shown it is aware of the fine job you have done. Thank you very much.

Our next person to appear before us will be Mr. John E. Henderson, of Washington, D.C.

Mr. Henderson apparently is not here. Is Miss or Mrs. Eliza Brewington here? Is it Miss, or Mrs.?

Mrs. **Brewington**: Mrs.

The **Chairman**: (Mr. Henderson): Mrs. Brewington, we are happy to have you with us, and I wonder if you would take a moment to tell us about yourself.

STATEMENT OF ELIZA BREWINGTON

Mrs. **Brewington**: I was born and raised in Broadway, N.C. I am the oldest of four children, and we had it real bad in the country where I was raised.

I was asked by the Travelers Aid Society to participate in this program, because they were the one who had helped me so much when I first came here to Washington.

The **Chairman**: We would like for you to know how much we appreciate your coming and to share with us whatever insights you have regarding the problem we are concerned with, and if you want to take just a moment to read or make a statement we will appreciate it, and then if you could and have time, we would like to ask you a couple of questions.

Mrs. **Brewington**: All right.

The **Chairman**: Proceed as you wish.

Mrs. **Brewington**: One reason I left North Carolina was to obey God, that his will might be fulfilled in my life. The second reason I left North Carolina was because of poor school bus service to our community. It was difficult to get the bus to pick up our children, and my son was 2 years behind in his schooling.

By the time service was arranged he became ill and I was afraid to send him out because of the weather. We didn't have enough money to take him to a doctor. The next school term my son had ringworm, and the doctors would not allow him to go to school until it had cleared up. By that time, the principal would not let me enroll him because he was 30 days late for the school year.

And I was concerned about my children's education, so I thought it would be nice living here in Washington. My son would have a better opportunity of going to school. He could even go to school in summertime.

There was a lot of educational activity here that we don't have in our schools, courses such as civics or government were not taught in the school I went to in North Carolina.

In North Carolina, we lived about 15 miles from the nearest town, and it cost from $3 to $5 to get there. I tried to get my husband to leave to look for a better life for us, but since it was his home he didn't seem to want to leave.

So then I started trying to make it on my own. My husband was earning from $3 to $15 a week to support all seven of us, and conditions where we lived were very bad.

Most of the people didn't know how to go about doing anything to better their conditions. For instance, I didn't know anything about paying taxes, except the tax we paid on food and clothing. I never filed any tax until 1964, when there was a general demand that we file.

My husband was charged with owing the Government $2,600 in back taxes, but we didn't understand why and we surely didn't have enough money to pay. I still don't know how this whole situation was straightened out.

The only means of help that I knew about was the welfare, but it took from 2 to 3 months to get help from them. I wanted to support my children, but there wasn't any decent-paying jobs to be found. Poor people had to take whatever they could get by sweeping somebody's yard or working someone's farm when work was available.

Life was bearable in the summertime because at least we had food enough to eat, and we all had gardens and fruit trees, but the winter months was bad.

After a while, I became ill because of not having proper food to eat. Some of my relatives came for me and the children, and I lived with them until I was well enough to work again. I worked odd jobs for about one year.

One day I decided to go to Fort Bragg employment office. While there, I saw a newspaper want ad asking for maids to work in the Baltimore-Washington area. I wrote the agency in Baltimore and expresed my interest. They sent me a ticket and promised me a job for $40 a week in Washington, plus room and board.

When I arrived in Baltimore, I was told that there were no jobs in this area, but I could get a job if I went to New Jersey. And I had left things in bad condition at home. There was very little money. I accepted a job in New Jersey in order to be able to send money home for my children. I worked as a maid for 4 months and sent money home to my husband and children and then sent them enough money to have my children and my husband meet me in Washington, where we decided we wanted to live.

My husband got a job at a local construction company and I went to work as a stock clerk for the Hecht Company. A short while later, my husband began to act up and lost his job. I became pregnant again and I couldn't work after a while.

We soon became destitute, and I began to look for help. The neighborhood UPO center sent me to the Travelers Aid. That agency began to help us.

Just about the time my baby was due, the old house we lived in collapsed in the front, and we had to move to the emergency shelter for 2 weeks. A local church group helped fix the house a little bit, and we moved back into it. I didn't know where my husband was any more.

My baby was born soon after, and I went back to work in a laundry for $50 a week. I stayed in touch with Travelers Aid and they told me about the Work and Training Opportunity Center where I could learn a trade and receive some financial help at the same time.

I applied and was accepted for training. I am still in training to be an upholstery seamstress and I think I am doing fine.

Since I have been in school, I have been helped to get into a government project which is large enough for my family, and best of all, I don't have to worry about rats.

At this time, I feel I am making progress towards a good life. I still must work hard, but I do not feel my work is in vain. I am very thankful to God and the people in Washington who have shown concern and have helped me to make a future for myself and my family.

The CHAIRMAN: Mrs. Brewington, we certainly appreciate that very fine statement and those very interesting insights into your problems of getting from Broadway, N.C. to Washington, D.C.

I gather from your statements that Broadway is near Fort Bragg.

Mrs. BREWINGTON: Yes.

The CHAIRMAN: And you left there what year, approximately?

Mrs. BREWINGTON: That was January of 1965.

The CHAIRMAN: So you have been in this section approximately 2 years?

Mrs. BREWINGTON: Yes, almost

The CHAIRMAN: And you left before your husband, and you preceded him here, and he followed you later?

Mrs. BREWINGTON: Yes.

The CHAIRMAN: If you don't mind, we would like to raise a couple of questions with you, and I am going to ask the Commission if it would, at this time, raise whatever questions they may wish.

Mr. HUTCHINS: I would like to ask Mrs. Brewington how far you yourself went to school.

Mrs. **BREWINGTON**: I went to the first semester in the ninth grade.

The **CHAIRMAN**: Are there any other questions on the left?

Mrs. **JACKSON**: Do you know where your husband is now?

Mrs. **BREWINGTON**: I know he is here in Washington.

Mr. **BROOKS**: Is he employed?

Mrs. **BREWINGTON**: I know where he is employed, but I don't know where he lives.

Mr. **FORD**: Could I ask who looks after the children while you are going to school?

Mrs. **BREWINGTON**: I have four children in school and the baby is almost a year old, and the lady near where I live, Mrs. White, cares for the baby during the day, and the other children look after themselves.

Mr. **FORD**: Do you pay Mrs. White?

Mrs. **BREWINGTON**: Yes.

Mr. **LAWRENCE DAVIS**: Do you live in a housing project now, or in the old house you spoke of?

Mrs. **BREWINGTON**: I live in a housing project.

Mr. **NEIL DAVIS**: How much rent do they charge you?

Mrs. **BREWINGTON**: $39 a month.

The **CHAIRMAN**: How much of a stipend do you get to support your family while you are going to school?

Mrs. **BREWINGTON**: $59 a week.

The **CHAIRMAN**: That's about $200. And out of that you pay $39 rent?

Mrs. **BREWINGTON**: Yes.

The **CHAIRMAN**: How long have you been there?

Mrs. **BREWINGTON**: Since June.

The **CHAIRMAN**: How long do you have to go?

Mrs. **BREWINGTON**: I don't know. I am supposed to finish it, for 2 years.

Mr. **GALLEGOS**: Do you think every city should have a place for visitors——

Mrs. **BREWINGTON** (interrupting): Yes, I do. I talked to the lady at the Travelers Aid Society, because this had been bearing on me since I was here. During the time people came and their clothes had been took away from them, and I was able to help them. I had an extra room, and I was able to carry them around to places to get free clothing, and I began to think about that I was—by me having five children, I wasn't the only one who was having such trouble, because a lot of people come in towns like that, and by going to the Travelers Aid Society, I feel a lot of people who were having to return home, having to make different arrangements for them, and I began to think that it would be nice if somebody would get together and have a newcomers' center.

The **CHAIRMAN**: A newcomers' center?

Mrs. **BREWINGTON**: Yes, and I talked to the social worker about this, and since I was in the business I was in, that I would like to help with that. I notice a lot of the problems that people have, and especially poor people, is cleaning service. It's ridiculous the price that is charged for cleaning garments, and I was thinking about the cleaning services and upholstering service.

There are a lot of poor people who throw their furniture out the doors and go and buy just frames. They don't have anything. They go and give $75 for a couch and it will fall down almost by the time you get it in the house. Maybe they have done away with a $300 or $400 piece because the upholstery was bad on it, and I was just about to the place to feel like donating everything I could get in helping the poor, because really somebody needs to take an interest in these people, and the condition of people.

I know there are a lot of people who don't want to throw away things that they have to throw away.

People who go and buy clothes, you can go to the Salvation Army and get a dress for 40 or 50 cents, and it costs you $1.25 to have it cleaned. What's the good of cleaning it? Throw that one away——

The **CHAIRMAN** (interrupting) : I think you ought to keep talking, because you opened up there.

Mrs. **BREWINGTON**: I'm really sincere when I see what the conditions are here in Washington, about how the poor people live. Anyway, it's not altogether the poor person that is doing it, because sometimes there are people doing things to themselves. The people have to be reached some way or another, because you can't get the people to cooperate.

They live in these slum areas and the rats almost carry you out of the house, and you can say, "Let's go around and have a meeting and see what we can get done," and everybody says, "Ugh, I have been here for 25 years and they didn't do nothing."

It's not the idea of them doing something. It's the idea of the person themselves doing that. It was, "You can't get this, you can't get that." If I had listened to that, I would have been sitting over there fighting those rats right now. But I began to work on it.

Mr. **LAWRENCE DAVIS**: Did you have brothers and sisters? Do you have a family back home? Did you have any brothers and sisters, and did they go to school as far as you went, or further?

Mrs. **BREWINGTON**: I went further than any of them. I had one brother and two sisters.

Mr. **LAWRENCE DAVIS**: Are they in North Carolina?

Mrs. **BREWINGTON**: One sister is in New York, I think, and I have brothers in North Carolina.

Mr. **GALLEGOS**: You mentioned something about staying in emergency housing for a couple of weeks. Is that something else you think ought to be available to families that come in?

Mrs. **BREWINGTON**: Yes.

Mr. **GALLEGOS**: What kind of house was it? Who paid for it?

Mrs. **BREWINGTON**: I didn't pay anything for the emergency shelter. The housing and food, everything was free.

The **CHAIRMAN**: What kind of a house was this?

Mrs. **BREWINGTON**: This was a large place that had units in it for families. It was according to how many members there were in the family.

Mr. **HUTCHINS**: Was this part of the Travelers Aid work?

Mrs. **BREWINGTON**: No, I don't think so.

The **CHAIRMAN**: How did you happen to find out about this?

Mrs. **BREWINGTON**: Several of the people from UPO had mentioned it. They came around there, and they noticed the front of my house was leaning before I noticed it. They began to warn me that I had better get out, and then the lady on the corner, they are running some kind of little projects in there, and this lady came around that night.

So many people had talked to me about it, and then there was one—there was a construction worker. He was the one who was supposed to do the work on the house, and he came and looked at it and said, "You get out of here. The way it has been snowing, and the snow on top of that house, the thing is liable to fall on you."

He scared me to death. Then I went around the corner and I told her what the man had said, and she said, "I'll get on the phone and contact emergency shelter and get you a place to stay," and she did.

The **CHAIRMAN**: Were you ever on welfare while you were in Washington?

Mrs. **BREWINGTON**: No.

The **CHAIRMAN**: Did you ever attempt to get on welfare?

Mrs. **BREWINGTON**: No, the worker at the emergency shelter thought I knew where my husband was, and he began to throw fits about us being there. We had been there 7 days, and my husband had found out where we was at, and he come down there, and the man, he thought that I knowed where my husband was living. I could see him, but I didn't know where he was living.

He was going to carry me up to the welfare service and see that we got on the welfare.

I went up there and talked to the lady—this was in the crisis part of the welfare. She said she could take my children and put them in Junior Village until I could support them myself, and then I would have to get a job——

The **CHAIRMAN** (interrupting): In other words, you are reiterating the whole story, as bad as you needed help, you couldn't qualify for welfare, and if they thought you knew where your husband was, this disqualified you even more so.

Mrs. **BREWINGTON**: Yes. The man, he thought that I knew where my husband was. He wanted me to take out papers for him for nonsupport, to make him support his family.

Well, this man where I went to take out the papers, he already told me they couldn't issue papers without an address. I didn't have an address, and I don't have one yet. I see him last Sunday. When I came in this building, I seen the truck that he drives, but I don't know where he lives.

The **CHAIRMAN**: Mr. Gallegos, and then Mrs. Jackson.

Mr. **GALLEGOS**: One of the reasons you left Broadway was the isolation, the schools, and the low income of your husband.

What about the families who are still there? What is happening to them, and what do you think will happen unless some changes are made, and what kind of changes do you think ought to be made?

Mrs. **BREWINGTON**: Well, that's a pretty hard question, because I'm not sure. I wrote to them when I first found out that I was going to be in this meeting, and I asked them to send me a statement on what they thought would help North Carolina. I didn't get any answer. You can't hardly get cooperation.

One thing that I know about the people down there, they have got to the place they just don't feel like there's no hope for them, and a lot of them are turning to drinking. They work just enough to get them something to drink, and that's it.

My sister, she's doing pretty good, I think, but the others——

Mr. **GIBSON** (interrupting): Where did you live when you first came here, the neighborhood?

Mrs. **BREWINGTON**: 1515 Columbia Street, Northwest.

Mr. **GIBSON**: I was director of the neighborhood center where the neighborhood worker went up to see her at that time. (Laughter.)

Mrs. **JACKSON**: Mr. Gallegos asked the question I wanted to ask.

The **CHAIRMAN**: Is there anything else?

Mr. **FISCHER**: Why did you decide to come to Washington instead of Raleigh, N.C., or Durham?

Mrs. **BREWINGTON**: I don't exactly know. The reason I decided I would come to Washington was because the vision I had seen of the condition of this place.

Mr. **FISCHER**: You thought it was a better place to come to?

Mrs. **BREWINGTON**: Yes. Even through all the hardships, I feel I have bettered myself more so than I would in another area.

The **CHAIRMAN**: You don't think your decision was a wrong one?

Mrs. **BREWINGTON**: No, I don't.

Mr. **GALLEGOS**: You lived in New Jersey. How about it?

Mrs. **BREWINGTON**: I liked New Jersey. I liked the family I was working with, but I didn't want a sleep-in job.

Mr. **LAWRENCE DAVIS**: What is the agency that is sponsoring your education now?

The **CHAIRMAN**: Who is it that's sponsoring your present training program?

Mrs. **BREWINGTON**: It's the Government.

The **CHAIRMAN**: Through what agency did you get into this?

Mrs. **BREWINGTON**: Travelers Aid Society.

Mr. **GIBSON**: Was this the headquarters on Pennsylvania Avenue?

Mrs. **BREWINGTON**: Yes.

Mr. **GIBSON**: This is an organization that has a contract with the United Fund project.

Mrs. **JACKSON**: What do you wish for your children, and what are you doing to move them in a direction so that their lives will be better than yours?

Mrs. **BREWINGTON**: A better education.

Mr. **FISCHER**: Are they getting a better education here than they were in North Carolina?

Mrs. **BREWINGTON**: We started out well. My oldest son misses his father a lot, and it causes him to act up, and I have just about decided if I can make it through this school term I might let him go back to his grandfather.

Mr. **BONNEN**: How old is he?

Mrs. **BREWINGTON**: Almost 15.

The **CHAIRMAN**: One more question: Your other children, while you are in school only one child is at home?

Mrs. **BREWINGTON**: Yes.

The CHAIRMAN: Do you have any problems at all, other than what I have with my children, other than keeping them in school? I have a couple of boys that every now and then I have to shake them up a little bit.

Mrs. BREWINGTON: The only problem I have is since the home has broke up, it's hard to get the boys to school. It seems sometimes they go good a week or two, and the attendance officer will call me and say the children have been out of school.

The CHAIRMAN: After you have completed your training and you become employed, how do you envision the future with your boys and your family?

Mrs. BREWINGTON: Well, really, I hadn't thought too much about the family.

Mr. FISCHER: May I ask Mr. Gibson a question? Why is it so hard to locate Mr. Brewington, if the company is known he works for? Isn't it possible for the welfare agency to run him down in some way through the payroll?

Mr. GIBSON: You have a very difficult situation here, Mr. Fischer. That is a very good question. Washington is one of the places where we have what is called "a man in the house" rule. If the welfare department becomes involved in trying to determine eligibility for Mrs. Brewington, there is no telling what might happen. They have a very repressive policy in the District of Columbia regarding this kind of thing, and whereas now she can enjoy the training program which, I must say, is administered by the welfare department, whereas if she got that other—the question of receiving aid—she might lose out on this program, and also would be out of public housing.

The CHAIRMAN: Are you aware of that, what he just said?

Mrs. BREWINGTON: I know I couldn't get welfare, and I couldn't get the training program, but I had talked to him about the program, because at first when he first left home he was—he would come home and he would run back and stay home a night or two and he would run off again.

And I had talked to the job counselor about that, because he was coming back home in the beginning, and I asked the job counselor about it, and he said if the husband returned to the home that I wouldn't be eligible for this program, but if he won't make sufficient income to support his children, that he would be eligible for the program, and he would take my place.

The CHAIRMAN: Both of you couldn't go?

Mrs. BREWINGTON: No.

The CHAIRMAN: Thank you very much, Mrs. Brewington. We want you to know we really do appreciate it. The best of luck to you.

The next person is Mr. Alberto Pinon. Mr. Pinon is from San Jose, Calif. I believe, from manpower opportunites project—MOP, I think we learned to call it—and, Mr. Pinon, we appreciate having you before us.

STATEMENT OF ALBERTO PINON

Mr. PINON: Thank you very much, Mr. Chairman. I would like to say for the record that, number one, I am not accustomed to making presentations before Commissions of this nature anyway, and I beg your indulgence.

The CHAIRMAN: We would like to say that you don't have any problem with us. We are all just plain old human beings up here, so just feel at home.

Mr. PINON: My name is Alberto Pinon, and I reside at 3642 Vista Del Valle, San Jose, Calif. As I stated, Mr. Chairman, I am presently employed as area director for manpower opportunities project under a grant made by the U.S. Department of Labor, office of Manpower Planning Evaluation and Research.

Manpower opportunities project was funded because of the low number of participants from the Spanish-speaking community of California in training programs—MDTA as well as others. MOP was created to bridge the gap—not only in training programs but also to promote a better working relationship with all of the other existing agencies.

I am also the president of community service organization (CSO) and with your kind permission I would like to briefly tell you about it. CSO was organized in the city of Los Angeles in 1947 by a small group of individuals who saw the need for a community mutual aid organization, and here at this point I would like to inject that Congressman Eddie Roybal was one of them. This movement then spread throughout the State and now 27 counties in California have a CSO chapter.

In 1953, CSO was incorporated under the laws of the State of California and its influence has since spread into Arizona and Colorado. CSO is neither a political movement nor a welfare agency. It is a self-help, mutual assistance organization with its strength in its membership, and as long as there is a need of one human for another CSO will endure.

CSO is a civic action group. Its goal is the socioeconomic improvement of the community, with particular attention to the needs of the Americans of Mexican descent.

From its inception, the membership of CSO has come from the low income families in the community. It was so structured in order to permit broad community participation. However, this has not been the case. Its constitution and bylaws contain no reference to ethnic background or antecedents.

Today, however, the membership of CSO is predominantly Mexican American with a sprinkling of Negroes, and some Anglos. The reason for the predominance of Mexican Americans is quite obvious—the need is very great among the 6 million Spanish-surname people of the United States and especially those Spanish-surname people in the five Southwestern States.

CSO has been commended by the California State legislature through resolutions several times. CSO has been commended by the Bishops' Committee, by the American Friends Service Committee, by labor organization, and by prominent national and local leaders for its good works.

This Commission, I have been told, wants to hear from persons who know about or may feel that they have not had an adequate opportunity in life. For the most part, you can put the entire Spanish-surname population in this category.

How is it possible that one, such as myself, could have adequate opportunities in life? How could it be when I was told from the day I was born to the day I entered school and beyond that somehow I was different from the rest of my peers? That I was different because my name was Pinon instead of Rogers; that I spoke a language foreign to the one universally spoken; and in addition that my skin is a few shades darker, and that I was to believe that I am something less than my Anglo peers.

How can I say that I have had an adequate opportunity in life when I can remember so vividly a teacher saying to me, "No, I would not think about college; you have a very good aptitude for mechanical work; I would suggest that you take a shop course—mechanical drawing."

And when I expressed the dream of perhaps one day becoming a great attorney, I was shot down with, "No, I don't think you'll make it as a lawyer, you probably won't be accepted."

There are many other Mexican Americans who have experienced this type of counseling. The big question in my mind today is: How many Al Pinons or Jose Rodriguezes or Antonio Hernandezes have we lost this way?

Another question in my mind is: If other Mexican Americans had not experienced the same treatment I did, would we not perhaps today have 100 Prof. George Sanchezes, or 1,000 Dr. Julian Samoras? Who can say what the cost has been—not only to the Mexican-American community, the Spanish-surname communities, but to this, our country?

Now let me talk about the conditions that exist in my State—the great State of California; the richest State in the Union.

For many years, the great Central Valley of California has been the richest farm area in the world. Three counties in the Central Valley have led the nation in dollar value of agricultural production for the past 10 years. The farms are large. Some farms are as large as feudal baronies. For example, on the western perimeter of the valley, the Southern Pacific Railroad Company owns 120,000 acres, and another company, Anderson-Clayton, owns 52,000 acres, a 52,000-acre ranch.

By contrast, in this very same Central Valley region of California, tens of thousands of farmworkers live in stark poverty. This fertile valley is pockmarked with isolated slums, without water, without streets, with virtually no public services except an occasional whisk-through by an unfriendly deputy sheriff.

As we see it in this rich valley, most of the Federal assistance goes to the rich at the expense of the poor.

Permit me to cite one specific example, a rural slum called Three Rocks, located on the west side of the valley. It was established in 1956 of condemned shacks moved off nearby ranches. As Three Rocks grew, the outside world came to gawk—stories and pictures from dusty, desolate, waterless Three Rocks appeared in publications all over the United States and as far away as Moscow.

In 1962, the American Friends Service Committee became concerned. A member of the Friends committee began to help the people organize and prod various public and private agencies' consciences. Indifference was the main fruit of this effort.

In 1964, a full-time worker of the Friends committee was assigned to help the people of Three Rocks get decent housing. The worker and the people were organized and applied for projects under the various titles of the Economic Opportunity Act—commonly called the War on Poverty.

For nearly 4 years now, the Friends committee worker and these people of poverty have lived with the hope of moving into homes. This hope seemed so near when a large land owner—a farmer who owns 100,000 acres—offered to grant 20 acres of land for the purpose of building homes for farmworkers. But, when the community worker mentioned that he believed farmworkers should be covered by a minimum wage law, the offer was withdrawn.

Despite the great disappointment, the organized community purchased a tract of land, and now the Three Rocks housing project is on the verge of final approval by Farmers Home Administration, Department of Agriculture—a real hope. However, we must not lose sight of the fact that after almost 4 years of organizing, petitioning, applying for grants, and all the other necessary work involved in laying out what could be considered a new township, NOT ONE SHOVELFUL OF DIRT HAS BEEN TURNED.

In sharp contrast, let us take a look at a development 15 or 20 miles down the road. Here we see bulldozers working and dirt flying, beautiful rolling green slopes with manmade lakes and trucked-in palm trees replacing the rolling sage. A new country club has appeared—thanks to a recreation subsidy from the Farmers Home Administration.

How long did it take? Well, early in 1965, some 250 charter members of the Whitebridge Country Club raised $200 apiece to establish it. The Farmers Home Administration almost immediately authorized a $245,000 construction loan which would pay for an 18-hole golf course, a swimming pool, and a clubhouse. The golf course is scheduled to be completed early this summer. And, to the best of my knowledge, not one of the 250 charter members comes from the Three Rocks shantytown.

Members of the Commission, if you lived in a shack in Three Rocks and had to haul your water 4 miles, how would you feel about a Government whose policies make it easy for rich farmers to build a country club, but next to impossible for you and your neighbors to build a decent home for your family?

The problems of rural poverty cannot be understood and dealt with unless this double standard that exists and the programs resulting therefrom are clearly analyzed. In order to put this into perspective for such an analysis, let us consider the various farm and rural programs as a giant welfare system.

With this point of view in mind, there are two rural welfare programs, both with Federal financing: one for the rich, and one for the poor.

The welfare programs for the rich comprise price supports, soil conservation, irrigation subsidies, et cetera, et cetera, and are administered by the rich themselves through various local farmers' committees and/or public service agencies. They control, for example, irrigation districts.

On the other hand, the welfare programs for the poor are run by unfriendly bureaucrats answerable only to the rich. It must also be considered that under the rich folks' welfare program, the biggest welfare payments go to those with the most money or the largest landowners.

Permit me to briefly review an example of this rich welfare system—speaking of it from my California experience. Water for irrigation purposes is the lifeblood of California's rich agriculture.

Without its expensive canals, pumps, dams, et cetera, not much more than hay would be grown in the Golden State. The Federal Government provides various irrigation subsidies in many parts of California. Federal water supply to the eastside of the Central Valley is subsidized at $577 per acre—which means if you own 10 acres, your subsidy is $5,770; on 100 acres it is $57,700; and for 1,000 acres it equals $577,000.

The Federal Government is constructing an irrigation project on the west side of the Valley in which the subsidy will be over $1,000 an acre.

There is in existence a Federal regulation which is supposed to limit the subsidy on irrigation projects and provide the machinery whereby the poor can obtain a share in these subsidies and an opportunity to own land. Land ownership, as you all know, is one of the great desires of people. We know many of them, especially the thousands of skilled farmworkers, have the ability and the motivation to conduct agricultural operations, if given a chance.

But, alas, our people will never realize this goal under the current administration of Federal irrigation projects in California because the subsidy limit regulation has been interpreted into meaningless words by bureaucrats pressured into submission by large landowners.

I respectfully urge this Commission to make a detailed examination of all Federal programs directed to rural areas. All of these programs have a direct effect on rural poverty.

I pledge, for the record, my full cooperation and the assistance of my associates in making this study. Such a detailed examination will, I am sure, indicate that many rural programs need drastic revision if the Government is to make a realistic effort in alleviating rural poverty.

Why can we not build healthy rural environments which, in turn, would stop the depressive flight to the cities and arrest the further enrichment and entrenchment of a monolithic rural feudalistic society?

I appreciate the opportunity to appear before this Commission. I hope that these deliberations will lead not only to more effective Federal programs in alleviating rural poverty but also to a more effective use of existing programs.

I thank you.

The **CHAIRMAN**: Thank you very much, Mr. Pinon. Do we have your statement for our records?

Mr. **PINON**: Yes, you do.

The **CHAIRMAN**: We appreciate that. It is a very good statement. We will start with Mr. Fischer.

Mr. **FISCHER**: May I suggest that the Commission send copies of Mr. Pinon's statement to the Secretary of Agriculture and the Secretary of the Interior and the heads of FHA and the Recreation Bureau, and ask rather urgently for their comment on the points he made? I think it would be very helpful.

The **CHAIRMAN**: I don't know. I think this is something the Commission would have to take up. It is a procedural question, and as to whether we do forward it immediately, the statements and so forth to these people, is a question that can be discussed and taken up tomorrow morning.

Mr. **FISCHER**: You would have no objection, Mr. Pinon?

Mr. **PINON**: I consider this to be a public document today, sir.

Mr. **FISCHER**: It seems to me he raises fundamental questions here, and we really can't expect to go very far until we get some answers.

Mr. **HENDERSON**: I might say just on the basis of the country club loans, as we call them in some cases, that I was in the State of Mississippi in a hearing some time ago with another group, and I was struck by the way in which the country club loans sharpened the difference between the conditions of the "haves" and those of the "have nots," and raised questions with public officials as to the why of this, and, in other words, this is a condition that apparently is something that prevails in many places.

The hypothetical objective, of course, is to provide greater outlet for social life, but the records show that a disproportionate number of these loans are in the hands of the "haves" and a disproportionately smaller number find themselves in the hands of the "have nots."

Mr. **GALLEGOS**: I wonder, not to miss the point, if somebody will make a point that this item be discussed.

The **CHAIRMAN**: Yes. I see a member of the staff. We will discuss this matter of transmitting this document tomorrow morning in our Commission meeting. It is a procedural question, and even though it is a public document and no one can stop you doing what you want to with it, we have in our council procedural questions.

Are there any questions?

Mr. **GALLEGOS**: I was wondering if you would comment on the fact that in California, with the massive water development project taking place, and the Manpower Opportunity Program that is designed to help recruit and train people in training programs so that the unskilled farmers can avail themselves of new opportunities, what success the minority people have had in entering into new jobs that have been created as a result of massive water development projects?

Do you have any idea with respect to, one, training and recruitment, whether there has been any upgrading at all of untrained farmworkers?

Mr. **PINON**: On jobs, I couldn't give you too good of a picture. Training, I can, because this is the field we are involved in today as MOP staff people.

Most of the training in California, MDTA and others, including OJT, I would have to state candidly that most of the training programs are not directed to the people who need it the most, because of the limitations that they are imposing, or restrictions on the participants.

Most of them are required to have a sixth-grade education, or to be bilingual, at least, if they are Spanish speaking. In the largest percentage of the cases, you don't have this. You have a multilingual society, and in the case of the Spanish speaking, you have a low educational attainment level, and the other case, what we call the poor.

Does that answer your question?

Mr. **GALLEGOS**: What has been the allocation of monies in MDTA for upgrading the skills under——

Mr. **PINON**: (interrupting): Practically nothing. I can't even quote one project.

Mr. **GALLEGOS**: In the rural farm areas where MOP is operating?

Mr. **PINON**: You will have again to put this in perspective. I am not responsible for the Central Valley region as a MOP staff person. I have some familiarity with the Central region in my other capacity, as president of the Community Service Organization.

To the best of my knowledge, I would have to put that in that context. I don't know of any program in the Central Valley or the San Joaquin Valley that has the kind of basic remedial education coupled with training programs, as I see the need. Not one.

The **CHAIRMAN**: We have time for one more question.

Mr. **GIBSON**: How old a project is manpower opportunities project?

Mr. **PINON**: It was implemented on May 1, 1966.

Mr. **GIBSON**: So it is a very new program.

Mr. **PINON**: Very.

Mr. **GIBSON**: It is a demonstration program. Is it 18 months?

Mr. **PINON**: Yes.

Mr. **GIBSON**: What do you think in the 18 months the project will mean to the Spanish-speaking population in that valley?

Mr. **PINON**: Well, I would like to reply to that in what I feel would be the greatest contribution that the project can make considering its short life. I think that MOP could make a substantial contribution, again taking into consideration training programs are out the window because there is no money for them. There wasn't in 1966, and it doesn't look as if there is going to be in '67 or '68.

I think we could make our biggest mark in going out and doing an ethnic employment survey of agencies, Federal, State, and into industry, if we could possibly get there.

Mr. **GIBSON**: You mean as to present employment?

Mr. **PINON**: Right.

Mr. **GIBSON**: What about routing minorities into job opportunities, do you anticipate being in that, operating with any success in that regard by the end of the demonstration?

Mr. **PINON**: Well, we are involved in this, but we try to apply in a secondary level. It puts us in competition with the California State Employment Service, and rather than have them shooting us down——

Mr. **GIBSON** (interrupting): That was exactly it. I was trying to decide what it was you are demonstrating and whether—I presume you were asked to demonstrate it because it is a service that is not now being rendered, and at the end of 18 months you can demonstrate the service can be rendered and it is helpful to the people.

Is it going to disappear, or be taken over by the State Employment Service, or what will happen?

Mr. **PINON**: MOP was funded on the premise that there was going to be a substantial training program.

Mr. **GIBSON**: And that has broken down.

Mr. **PINON**: Yes. The contract had been signed, and the wheels had started——

Mr. **GIBSON** (interrupting): So you are in limbo.

Mr. **PINON**: Exactly.

The **CHAIRMAN**: We appreciate your coming from California and giving us your insight.

Mr. **PINON**: (Speaking in Spanish.)

The **CHAIRMAN**: You will have to help us out.

Mr. **GALLEGOS**: He said, "Thank you very much."

The **CHAIRMAN**: We will have Miss or Mrs. Stockburger now. Is it Miss, or Mrs.?

Miss **STOCKBURGER**: Miss.

The **CHAIRMAN**: Miss Stockburger, we are glad to have you with us. Miss Stockburger comes from New York, I believe, and she is with the National Committee on the Education of Migrant Children.

You may proceed as you see fit.

STATEMENT OF CASSANDRA STOCKBURGER

Miss **STOCKBURGER**: I should like to say in the beginning that I want to confine my remarks to two interrelated problems that we are dealing with as a committee, and that is child labor and the education of migrant children.

My name is Cassandra Stockburger, and I am the director of the National Committee on the Education of Migrant Children (NCEMC), the program division of the National Child Labor Committee concerned with improving the educational opportunities of migrant children.

I appreciate the opportunity to appear at this hearing and to present to you the grim data on the poverty of children of migrant farmworkers.

It hardly seems necessary to detail the obvious specter of migrant children. They are at the bottom of the nation's catalog of the deprived.

Despite years of hit-and-miss private and government-sponsored programs to change his life, to provide essential education, and to remove from our conscience the haunting faces of these children, we have failed to substantially alter the cycle of exploitation, substandard living, and fragmented schooling that have been our gift to the children of migrant agricultural workers.

The plain truth is that reliable studies, field surveys, and the evaluation of the National Committee on the Education of Migrant Children all confirm the pitiful inadequacy of present federally supported programs. Neither the Economic Opportunity Act (EOA) nor the Elementary and Secondary Education Act (ESEA) as now conceived and administered will make any real impact on the basic problems.

Caught between sterile State departments of education, misdirected and hastily conceived private programs, sometimes "put together" to match the pressures to expend Government funds, and the apathy of local school districts, the migrant child remains in an educational and economic limbo.

Nothing short of a program, specifically designed, and administered by committed persons of competence, will find solutions to the complex problems of these families and bring about permanent rather than short-term or palliative change.

Who is the migrant child, and where is he? He is found in 47 States. Precisely how many is impossible to know. Yet, last year there were 466,000 different persons who worked as migrant farm laborers. A conservative estimate would place at least 300,000 children in these workers' families.

And this does not include those countless families who, now living in rural fringe or urban areas and not migrating on a regular basis, bear the marks of impoverished years spent in agricultural labor.

The migrant child may travel thousands of miles each year because harsh necessity has forced his family to migrate to find the work he knows how to do best. He learns the "blessings" of labor often by the age of six. He knows that for him work takes precedence over school attendance.

His entire life is surrounded by abject poverty. Accidents, infection, and contagious diseases take a tragic toll among these children while the day-to-day erosion of health made by inadequate diet, clothing, and shelter frequently produces permanent impairment in physical and mental development and vitality.

The hazards to life and health faced daily by migrant children were legislated out of existence in other sectors of American society many years ago. But this stigma remains for the migrant child.

In the face of the agonizing economic pressure which constantly confronts the poverty-stricken migrant family, it is understandable that parents should wish to put their children into the fields as early as possible. Child labor, consequently, is a real and poignant factor wherever migrant workers are found. We who have been responsible for providing community services for migrant children know well the problems of poor school attendance because of work in the fields or caring for younger children.

In most States child labor laws, like so much other protective legislation, exempt agriculture. The Federal Fair Labor Standards Act does prohibit employment of children during school hours by farmers whose crops or products go into interstate or foreign commerce. However, enforcement is inadequate or at times nonexistent. The simple education fact is that compulsory school attendance laws vary from State to State and in some areas are interpreted not even to apply to migrant children.

How much are we exploiting these children? In spot checks by the U.S. Labor Department from July 1, 1965, to June 30, 1966, on 1,725 farms, 5,478 children under 16 were found illegally employed. Of these, 52 percent were between ages 10 and 13, and 18 percent were under age nine. Of the migrant children in the total group, 71 percent were enrolled in grades below their age as compared to 44 percent of the total group. Those aged 14 and 15 were retarded 88 and 89 percent, respectively, as compared to 59 and 65 percent for the group as a whole.

This bleak picture leads only to this conclusion. Most of these children were 20th century peons working out of economic necessity to add to the family income.

It is conceivable that unless steps are taken to control child labor in agriculture that we may have an increase in the number of children working in some crops. As wages for adults increase, farmers who previously preferred not to use child labor may find it more economical to do so rather than to pay a minimum wage to adults.

Our present advanced state of technology leaves little room for the person of limited education. Yet, studies show that the education level of the rural person has remained the lowest of any group in the nation. This is the stark fact of nonurban life.

The migrant farmworker's family is no exception. Indeed, his handicap is often greater because his roots are frequently in the rural South or Southwest, where school districts have not provided quality education for its total population and much less for minority groups.

What, then, is the status of education for the child in these families? It is characterized by late entry, irregular attendance, and early leaving. Language and cultural differences further handicap the child. Consequently he falls further and further behind his age group and when he drops out permanently between the ages of 12 and 16 he is 3 to 5 years retarded.

Not all migrant children drop out in the early teen years. Some manage against great odds to continue their education through high school. A few even go to college. But most grow up to become another statistic in the already overcrowded, unskilled labor market.

The sheer impact of the problem is revealed in figures released by the Texas Good Neighbor Commission in their 1965 annual report. The commission reported that 31,500 school-age children residents of Texas accompanied their families on lengthy migrations in 1965. Another 8,500 missed substantial periods of school because of work in the fields within commuting distance of their homes and were therefore not counted as migrants in State records.

An additional 27,000 infants and small children under school age were recorded as having migrated with their parents. As with the school-age children, large numbers of preschoolers accompanied their parents for work within commuting distance of their homes.

Dr. Roy McCanne, consultant in migrant education to the Colorado State Department of Education, in commenting on the problems of these children, has said, "I'm sure that some other types of children need help too (delinquent, neglected, etc.) but I suspect that they are at least attending school fairly regularly, but migrant children are not even in school for the most part."

In the fall of 1966 Colorado reported their best enrollment—about 50 percent of the children between ages 5 to 17. Almost all of the 7- to 11-year group were in school, which means that almost no children were receiving attention during the critical preschool years and that most 12- to 17-year-olds had already discontinued their school attendance. And so the bleak tale continues.

It would be well to ask, what is being done to improve conditions for migrant children? For many years efforts were made to secure Federal legislation for the benefit of farmworker families. Most failed. But less than 4 years ago the first legislation, the Migrant Health Act, was passed. Although it has been handicapped by tardy and inadequate appropriations, it has been able to provide a start on significant services.

As a sort of afterthought, certain migrant bills pending in the Congress dealing with adult and child education, sanitation, housing, and day care were incorporated into the otherwise urban-oriented Economic Opportunity Act of 1964.

In 1965 the passage of the Elementary and Secondary Education Act promised the brightest hope yet that migrant children could at last within the framework of the nation's public school system receive the help they needed. Mute evidence that this would not be true was the passage of an amendment in 1966 to Title I of ESEA, which established a separate program for migrant children.

Prior to the passage of this Federal legislation, a few of the more concerned State departments of education and church groups were engaged in scattered and uncoordinated efforts in behalf of these children.

While it is still too early to have adequate evaluation of either the programs carried out under the Economic Opportunity Act or the effectiveness of the ESEA, certain observations as to trends and potential effectiveness are possible.

An alarming lack of policy or overall planning appears to dominate the hodgepodge of largely unrelated and frequently short-term programs which have been funded across the country under Title III-B of the Economic Opportunity Act. In 1966 about 100 projects were in operation under these funds.

Of these a number were for the seasonal farmworker and a number of other programs have reported that they have eventually had to direct their programs to the resident seasonal worker rather than the more mobile migrant farmworker. Almost half of these programs funded in 1966 have indicated they engaged in some form of education for children. Less than one-fifth of the grants went to any kind of educational institution, i.e., a State department of education, local school district, or institution of higher education.

It is currently reported that OEO is phasing out its education program for children and that this responsibility will be assumed under the new program of the ESEA. Just as there was opposition on the part of some private groups to having public schools funded by OEO to carry out migrant education programs, opposition has been reported to having this program turned over to the U.S. Office of Education.

The charges have been in terms of the incompetency and indifference of the public schools. In a recent NCEMC questionnaire, all OEO grantees under Title III-B were asked their opinion of the capability of the public schools in their area to provide education for migrant children. In returns tabulated on responses from 50 percent of the grantees of whom 28 answered this question, the replies are running 2 to 1 negative.

However, their explanations hardly justify a blanket indictment of the public schools. By far, the most serious charge is indifference. Lack of funds and no available summer school programs could be remedied under the Elementary and Secondary Education Act.

What of the effectiveness of the ESEA? As presently administered, I do not see that it will significantly change the educational picture for migrant children.

Reports from State departments of education recently compiled by NCEMC show that few States utilized funds from Title I for either summer schools or regular school programs in 1966. Forty States replied to our questionnaire. Of 24 States reporting summer schools for migrant children, only 8 reported any use of Title I funds, as compared to 19 which used OEO funds, and I might add that in those cases many of these were private agencies.

It is interesting to note that only 6 States reported a State appropriation for support of migrant children in either summer or regular terms. In 1963, 11 States reported such special appropriations.

Under the new Migrant Amendment to Title I of ESEA, funds totaling about $7 million have been allocated to 47 States on the basis of an estimated migrant child population.

We have attempted to determine to what degree the State departments of education are making plans for use of these funds. Only nine States have indicated to us that they either have completed plans or have their plans in process. Four others have said they will submit a plan. Only one has indicated they will not submit a plan, claiming there is no need, although they have been allocated over $70,000. A number of other States have indicated that they are waiting to see the guidelines and know more specifically what is expected before deciding. Obviously, with all plans yet to be approved, little use of the funds will be made in this fiscal year.

In general, let me say, that the positive things which have been accomplished by the migrant programs of both the EOA and the ESEA are chiefly in the area of an increased area of concern. ESEA has required the U.S. Office of Education, the State departments of education, and local school districts to take a closer look at the migrant population.

Migrant children are already being identified more readily in school records for purposes of qualifying for grants.

Another long-neglected area, teacher training, has shown a substantial increase over the past 2 years. Fourteen States reported training programs in 1966 of from 1 day to 3 months' duration. Services to children have increased. Twenty-five States report providing transportation; 12, clothing; 18, medical services; 26, hot lunch; and 26, milk. This does not mean that all children in all schools receive these services, but as a general practice these are reported as being provided for migrant children.

One of the major weaknesses in all efforts in migrant programs has been the lack of nationwide and interstate planning and coordination. Within the past year one or two attempts have been made on a regional basis or through agreements between two or more States.

But again I would emphasize that we must look at the problem on a nationwide basis. Programs must be evaluated on the basis of long-range goals. When we look at the programs in progress and those that are proposed, I seriously question that we are even on the right track.

To date, all that has been done is palliative. We are not really doing anything to attack the cause of poverty in this segment of our rural population.

Thirteen years ago, Dr. Shirley Greene concluded after a comprehensive study of the education of migrant children that in the face of the evidence collected by his study, "there is no complete solution to the problems of the education for migrant children short of the ultimate elimination of agricultural migrancy." Dr. Greene went on to recommend that efforts be made to develop our national economy in ways that would stabilize employment and minimize the need for employment of migratory families, and I think the emphasis there should be on the word "families."

There is no section of our economy which is characterized by such disorganization and unsystematic utilization of manpower. The agricultural industry as a whole has demanded independence and claimed immunity from regulatory legislation applicable to other industry. At the same time, they have not hesitated to claim the benefits of agricultural programs instituted by the Federal Government.

No louder voice has been heard than that of organized agriculture in opposition to practically every form of protective or social legislation which could benefit agricultural labor.

Our alternatives are clear. If we are serious about eliminating rural poverty, either we require the agribusiness sector of our economy to provide all their employees with wages and working conditions comparable to other industries or we add additional subsidies to agribusiness through supplementary wages and services to their employees.

Until and unless we make this segment of our working force competitive and economically independent, we will have to go on for succeeding generations handing out grants for palliative programs.

With economic security and independence, many of the migrant worker problems would solve themselves. They will be able to purchase services and not beg for an opportunity to participate in them. Upward social mobility and acceptance will come as they are able to improve their education and make a contribution to the community on a par with others.

But this is the long range. What about the children who need help now; who, unless they receive help now, will add hundreds of thousands of additional inadequately equipped persons to our labor force in the next 5 years.

We must concentrate on getting and keeping the migrant child in school wherever he is, regardless for the moment of how well his needs are being met.

We must extend regulations on child labor to agriculture in all states.

We must take a long look at our educational system and how it relates to the migrant problem. By and large, public schools have shown little interest in, or ability to meet, the needs of migrant children. For the most part school personnel has been unwilling to think in terms other than how to fit these children into the system. Let's face it, we may never fit these children into the conventional school, certainly not into the 9-month school term.

Because of this fact, we are faced with a serious dilemma. How can we help children whose life patterns are different achieve the standards required for successful living in our society? How can this be accomplished when we demand that the criteria for achievement be the completion of a certain number of grades or years of study in certain approved institutions?

In plain words, how can migrant children get the college or even the high school diploma which is required for successful competition in today's job market. Obviously, we have to either change the child's life pattern or modify the requirements for entry into the job market. Neither change will bring about a total solution, to be sure. But more must be and can be done than we have done to date.

Our considered recommendations to the Commission are as follows:

(1) Priority for allocation of major education resources for migrant children should be given to those home-base or other areas where migrant children can spend a minimum of 6 months in the same educational system with assurance being given that such funds will, in fact, be used to carry out such programs as will best meet the educational needs of these children.

(2) Foster home programs, camps, or other child care institutions should be developed in home-base areas to provide residential care for migrant children during the time when parents migrate away from home base. In the case of some children it may be desirable to provide such care on a year-around basis.

(3) The child labor provisions of the Fair Labor Standards Act should be amended so as to provide the same protection for children in agriculture as in other industry. The necessary enforcement mechanisms to effectively bring about compliance must accompany such an amendment.

(4) Extensive opportunities should be provided either in residential or day schools for those, ages 13 to 20, whose education has already been seriously interrupted so that these youth may achieve at least a high school equivalency along with some marketable skill or trades training.

(5) In States using migrant labor, proof should be required that migrant children are included in all programs for disadvantaged children funded by the Federal Government before any Federal grants are approved.

(6) A national planning board or commission composed of qualified citizens should be established to design and guide the implementation of a long-range plan for solving the complex problems of family migrancy.

The CHAIRMAN (Mr. Henderson): Thank you very much, Miss Stockburger. We are running short on time, and I wonder if we have one or two quick questions we might ask.

Mrs. CALDWELL: I would like to know if you have been able to get very much help through your various State child welfare programs in trying to halt at least some of the serious and tragic things that happen, even if they haven't done much on the preventive?

Miss STOCKBURGER: Well, it has been our experience that in most cases child welfare agencies will act on an emergency basis on behalf of the needs of children.

I will state that they are available on an emergency basis. But it is the lack of programing and general planning for long-term needs that is of concern.

The CHAIRMAN: Any other questions?

Mr. GALLEGOS: You talked under Number 2 about child care programs.

One of the things that came out in testimony in the Southwest, American Indians described the problems of keeping young children in school, that they were frequently separated from their parents, that they had to leave the reservation to go to foster home schools, and this created homesickness and the kind of situation where the child didn't stay in school.

Miss STOCKBURGER: This is inevitably the problem you find when you have to make a choice of having the child remain in the home with the parents or having the child placed in the best circumstances for the child's welfare. And I think it is inevitable that this problem will have to be faced.

However, I think there is a great deal more separation of parents and children than we now realize, that there is a practice on the part of a great many families to either send the children back to stay with relatives, or leave the child behind.

The CHAIRMAN: In other words, the separation takes place regardless.

Miss STOCKBURGER: A great deal takes place. And I think we have to weigh the living conditions of the on-the-road migrant.

Mr. GALLEGOS: What about the possibility of family allowances of some kind where, instead of being in a boarding home, a concrete building kind of thing which, in some ways, could offer an advantage, the idea of an allowance for families?

Miss STOCKBURGER: I think this is a much more preferred alternative. I would much more prefer to see the family not migrate, if they can be able to live without it.

And I think this is one of the problems with eliminating child labor. We find that some of these projects that have been paying stipends, the older child who can make $25 a week in the field from working will work rather than take $15 from the school program.

So if we talk in terms of stipend, we have to talk in terms of something that enables the family to live.

The CHAIRMAN: We have to bring this to a halt. Do we have the complete statement?

Miss STOCKBURGER: Yes, we do.

The CHAIRMAN: We want to thank you for coming down from New York City and being with us today. Thank you very much.

Miss Stockburger, could we just ask you one quick question? I am sorry. Your headquarters for the National Committee, are those headquarters in New York?

Miss STOCKBURGER: Yes.

The CHAIRMAN: Is this a privately operated agency?

Miss STOCKBURGER: Yes. It has been in existence since 1904, and its parent organization is the National Child Labor Committee, which led the fight for ending child labor. It is financed by membership, private contributions, foundations.

The CHAIRMAN: Rev. James L. Vizzard. We finally got to you, and we are running out of time. I am certainly happy that you are here.

STATEMENT OF JAMES L. VIZZARD

Fr. VIZZARD: The Lord commands us to practice mercy, and I will practice mercy by skipping most of my statement, and concentrating on only a few sections of it which I think might deserve your special attention.

Mr. Chairman and members of the Commission, I speak here today by authorization of the Bishops' Committee for the Spanish Speaking. I will skip the whole first couple of pages.

On page 3, to clarify our own thinking and more accurately focus our recommendations, we break down the various categories of rural poor into four groups that may be of some value to you.

The first is the farmer whose capital resources are simply inadequate to support a decent standard of living.

Second, the tenant and sharecropper, particularly of the Deep South, whose minimal and precarious existence is further deteriorating because of rapid mechanization and consolidation of farm operations.

Third, hired farmworkers, principally those who are migrant and seasonal.

And fourth, the elderly and the physically or mentally handicapped, whether on the farms or in the small rural communities.

Now, on subsequent pages we have comments and recommendations to make on each one of those categories, but I trust I can leave it up to you to read these in your spare time.

I would like now to skip to page 7, where there is one aspect of comments on migrant labor that seems to deserve particular attention.

In the middle of page 7, there is one aspect of the Delano struggle which we believe deserves great emphasis. As this Commission knows well, for some year and a half striking grape pickers there have been attempting to secure bargaining rights and a union contract with their employers.

So far they have achieved some successes, but only at the cost of extreme hardships and human suffering. Moreover, despite the workers' remarkable fidelity to their pledge of nonviolence, the community has been racked by dissent, bitterness, and conflict.

This prolonged struggle is a direct result of the legislative exclusion of farmworkers from the provisions of the National Labor Relations Act. Without legal provisions and procedures for the resolution of such a labor-management dispute, every situation inevitably becomes nothing more than a power struggle. It seems likely at this point that the workers eventually will succeed in Delano. It seems almost certain that the farmworker organizing movement will then spread to other parts of California and to every part of this country which employs a significant number of migrant and seasonal workers. Indeed, the movement has already leaped to Texas where, in Rio Grande City, the United Farm Workers Organizing Committee (UFWOC) is locked in conflict with the growers and their allies.

In other words, the future holds dozens and even hundreds of Delano-type confrontations. It seems to us to be highly unlikely that these other Delanos will be characterized by the highly unusual nonviolence which has been maintained there.

We do not expect the workers to instigate physical conflict but rather, as experience has already shown, we expect it to come from the other side, often under the specious color of law.

If, therefore, this country and, in particular, our rural communities and the agricultural industry itself are to be spared prolonged, bitter, disruptive, and perhaps even violent conflict, we should move as quickly as possible to provide the well-established and successful provisions of the National Labor Relations Act to farm labor.

Now, gentlemen, I would like to go to the last section of my statement, which begins on page 9. It has a positive proposal which perhaps has elements of originality. Our ideas on this proposal are catalyzed by the legislation passed by the 89th Congress called the demonstrations or model cities program for which President Johnson's fiscal 1968 budget requests something over $400 million for a start.

We think this new program is highly imaginative and very promising. But we ask why nothing comparable has been suggested for the rural slums. Why would it not be possible to have demonstration or model rural areas?

Would it be difficult, at least in principle, to design a program in which the Federal Government designates particular rural areas of larger or smaller sizes where, as with the model cities program, the full impact of all appropriate Government programs could be brought to bear on the multiple needs of these areas and communities?

We do not feel competent to spell out all the details of such a proposal, but we can envision the rehabilitation of rural slums through a proper adaptation of the model cities idea. We believe, moreover, that we have identified a particularly advantageous and ready opportunity to make a beginning along these lines. That opportunity, strangely enough, is found in a situation which to the U.S. Department of the Interior is a major problem.

I will skip the next few paragraphs that explain actions under the Reclamation Act. Now I'm in the middle of page 10.

As a result of present and future operations of the Bureau of Reclamation, hundreds of thousands of acres of fertile excess land are and will be becoming available in California and other Western States. The high capital value erroneously and illegally placed on these lands and other complications are stymying the Interior Department's effort to assure the disposition of these lands to other than speculators and absentee landlords.

Unless an entirely new approach is taken, the end result of the expenditure of enormous sums of taxpayers' money will be the very opposite of what is intended and demanded by the Reclamation law.

We suggest that this problem be looked upon as a unique opportunity. It happens that in the very areas where these lands are becoming available, there are tens of thousands of rural poor, many of them migrant and seasonal farmworkers, who up until now have been excluded from their fair share of the agricultural wealth they have helped to produce.

Why could not at least a pilot project be undertaken to demonstrate whether or not, with proper help, units of these excess lands could be transferred to the ownership and operation of select groups of these farmworkers who for so long have done everything on these farms and ranches except to manage and profit by them?

To be very specific, at Delano, the focal point of the current labor-management conflict, one particular ranch, the Sierra Vista owned by the DiGiorgio Corporation, is under the legal obligation of divestiture. It comprises about 4,000 acres of table and wine grapes. Despite efforts of DiGiorgio and of the Department of the Interior over a period of some 2 years, buyers simply have not been found for most of the 160-acre and smaller units into which, in accordance with the law, the Sierra Vista Ranch has been divided.

That situation cries out for a new and imaginative solution lest it become a permanent embarrassment to the Department of the Interior and a persistent barrier to the attainment of public policy.

Our suggestion, we believe, has the beauty of simplicity. We believe that the undivested lands of that ranch should be purchased outright by the appropriate Government agency or agencies and then either through sale or lease be turned over to the farmworkers who have invested so large a part of their lives and energies in those very fields.

Obviously, workers, unschooled in the intricacies of management, would have to have supervisory and managerial help. Very likely also the sale or lease price on the land would have to be subsidized. In addition, as with the model cities program, a whole bundle of specialized services would certainly have to be provided: Credit at favorable terms; technical assistance; development of various cooperative institutions including, particularly, cooperative purchasing and marketing; as well as the standard necessities of health, housing, and education which the people already are in need of.

If such a pilot project were successful, and we believe it could be, it would serve as a model for the use of the hundreds of thousands of other acres of excess lands which by law are now available or will soon become available throughout the Western States.

Moreover, if the idea works we see no reason why, with proper adaptations, it could not be applied in nonreclamation areas. Why not something comparable in the rural slums of Alabama or Mississippi?

Might not something like this be at least one answer to the critical problems of the marginal farmers, tenants, and sharecroppers who are so rapidly being displaced and dispossessed by the workings both of the agricultural revolution and of racial discrimination?

Instead of more of them being crowded into the dismal and dangerous urban slums, could they not be offered a chance at a decent, dignified, and economically secure life in a rehabilitated model rural environment?

We know that our proposal, though simple in concept, would be complicated and costly in reality; but so, too, will be the model cities program. We do not believe that our nation is so lacking in imagination and know-how as to be unable to solve the problems of the rural as well as the urban slums.

Gentlemen, thank you for the opportunity to be heard today. I will be glad to answer any questions.

The **CHAIRMAN**: Father, this is a very, very important suggestion that has been made. This morning, when I asked the Secretary of Housing and Urban Development if there was anything in the legislation, or in the thinking, as a matter of fact, for rural areas comparable to the model cities program, and I believe that in essence we got—well, at least the implication I got was not.

We have something now to offer him, and I think this is a very helpful suggestion.

Fr. **VIZZARD**: This suggestion has been making the rounds of the Government agencies for the last year and a half. I exposed the idea to Gene Foley, and I wrote up a lengthy memorandum on the proposal, and he circulated it at the Cabinet level.

It has been studied by the Department of the Interior, OEO, and other agencies. So it is not entirely unknown.

The **CHAIRMAN**: Could we have a copy of it?

Fr. **VIZZARD**: It is basically the same thing.

The **CHAIRMAN**: Are there any questions?

(No response.)

The **CHAIRMAN**: Thank you for coming.

Our last person to appear today is the Honorable Wilbur Cohen, who is the Under Secretary of Health, Education, and Welfare.

Father, are you going to make available for us whatever else has bearing on this, or do you think that would be sufficient?

Fr. **VIZZARD**: I think that will probably be sufficient.

The **CHAIRMAN**: Secretary Cohen, thank you for coming and sharing your ideas with us in this meeting.

STATEMENT OF WILBUR J. COHEN

Mr. **COHEN**: I would like to introduce Lisle Carter, and Donald Slater, his deputy.

I know it is late, and I have sat on the other side of the table of Commissions like this with you, and my thought is that I would introduce my whole statement in the record and just comment on four or five points that I think are significant.

I would prefer to, quite frankly, have you ask me questions about the programs which I am sure many of you must have about helping the nation's welfare.

So I will just go through my statement briefly to point up a few points so you can ask me any questions.

On pages 2 and 3 of my statement, I present before you the results of our analysis about the extent of poverty in the United States. The Social Security Administration, under our jurisdiction, is the agency that has been making the so-called poverty estimates, and I have presented here for the first time our estimate for the 1965 data, not on individuals, but on households, showing that preliminary figures indicate that of the 11.5 million households in 1965 below the poverty line, about 1 million lived on farms and 3 million in other places that might be designated rural. Thus, 35 percent of all the households counted were rural households. Probably, I would say the percentage is in the nature of 40 or 43 percent, as shown by the 1964 data.

I recognize, and I don't want to digress on it, but the question of poverty, what that threshold line is is a very complex evaluation, and I would assume that one of the questions this group would want to go into is this threshold that we use, and our analysis; is that correct?

I am not prepared to defend it in detail, but it has been a very important problem over the years.

Generally speaking, the poverty line in the rural areas is roughly about 70 percent of the urban line, and I would say perhaps the Commission would want to go into the validity of that and the statistical basis of determining that, which would, of course, change the concept.

It is a very basic point as to what you do mean by rural poverty, and it comes right up in the way you use your statistics. I would be glad, for instance, to submit for the record more detailed figures of the poverty level, farm and nonfarm, by male and female head for different-sized families, that is used in making the poverty threshold.

A lot of people talk about $3,000; but, of course, $3,000 is an urban level for a family slightly more than four, and it varies by different-sized families, and naturally the level that you use has a great deal to do with public policy because when you get to a matter like public assistance, if you are using a particular threshold, the place you set this threshold determines what it is going to cost the States and Federal Government to eradicate poverty in this country.

As you know, the estimates show it would cost $11 billion, which in my opinion is not economically impossible to do with a gross national product (GNP) of $750 billion, roughly only about 1.6 percent of the gross national product. But it could differ, depending on how you set the level. So I think this is a rather important point to your whole deliberations and policy.

I then go on in my paper, after stating this, to tell about the various programs that we are undertaking in the Department of

HEW that deal with both rural and nonmetropolitan poverty, and those are extensively developed in the first 10 or 12 pages of my paper.

Perhaps you will want to ask about some of the points. I would like to point out to you that of course this year the further development of the educational legislation for the disadvantaged, and in the next couple of years, will come up for substantial treatment.

I must mention the Elementary and Secondary Education Act of 1965, which provided for the funds to deal with disadvantaged children, some of which is now going into rural areas and less populous areas. It is an extremely important program. I hope it would be continued, I hope it would be extended, and I certainly would most urgently suggest that you explore quite thoroughly the area in which during the next few years the Elementary and Secondary Education Act of 1965 could be amplified and expanded.

There is no more important program, in my opinion, for the long-run eradication of poverty than raising the educational level and the quality of education in this country for everybody, and I think we have now started in the 1965 act a very, very important matter of public policy.

We are putting roughly $1 billion to $1½ billion into that. If you want to overcome the fiscal inequality that exists between the States and among the 20,000 school districts of the country, that act is one of the most promising pieces of legislation for the eradication of poverty and the elimination of inequalities, and the raising of the level and quality of education in this country, that we have developed.

I urge your most serious considerations of the implications of that.

In passing, might I add on page 16 of my paper I touch on the Teacher Corps. The Teacher Corps program, which I think is one of the most innovative and promising aspects in relation to both VISTA and the Peace Corps, we only have 1,200 corpsmen in this at the present time, and 400 of these are in rural areas.

The act comes up for extension this year. The Teacher Corps is significant in bringing high quality teaching into the urban and rural areas to raise the quality of education. I hope your Commission will examine that.

In the past several days I have had three groups come in to see me, all from rural areas, for grants for rural education, which we can't now make under our education act.

When you listen to the county school superintendents coming to the Federal Government, and we say, "Why don't you go to your State's Governor, your legislature, your State superintendent?" He says, "There is no money there."

And so I have more and more of these people coming in to see the Commissioner of Education and myself, and they think methods of providing the realization to the communities and what can be done in the educational areas are of number one national importance.

In my paper, on page 21—I develop a point which to me, speaking more in my private capacity and more as an economist than as an Under Secretary of HEW, a point that I felt very strongly in the past from my own studies, is that as long as our country relies so heavily on the local property tax you are going to find that local services in rural, nonmetropolitan areas are going to be seriously limited.

You have got to find some way to minimize, reduce, repeal, modify the property tax on a local basis if you are going to extend and expand child welfare services in the local community, educational services, health services; if localities are going to be able to match Federal funds.

And somehow, I think some brilliant, creative idea of figuring out some way by which Federal funds could be made available so that property taxes would be decreased or minimized would be a most effective mechanism of trying to make localities respond to the expanding social needs and services that exist.

If you look throughout the country, you will find that local communities, rural communities, are the ones that do not have the full, comprehensive, adequate types of social and economic and educational and health services that are necessary.

And if you pose the question to yourself, how are you going to get them in the next 10 or 15 years, if you are going to base any of that upon local financial contributions, and that comes from the property tax—rural communities are never going to expand their services as rapidly as necessary to train the people and pay the people for the necessary services.

So I think that is a very important factor in the whole equation. I think repeatedly, as we develop the Federal grants-in-aid policy that involves local contributions, and if you even make a 99 percent Federal grant that requires a $1 local contribution, what you are doing is making $1 of local money prevent you from getting $99 of Federal money, and as long as that is limited, you have a very serious financial problem.

I then, in my paper, touch upon a number of proposals that we are making—that the President is recommending this year—particularly the social security proposals, which would provide for raising the minimum social security from $44 a month to $70 a month, which will certainly have an important impact in helping to raise levels for people who have been under the social security program the shortest period of time, of which farmers and farmhands are of course a leading example, and I am certain that raising the minimum in social security and raising the basic benefits 15 percent will be very helpful, particularly in this area as it will be in others.

The President's proposals in that field are rather important. They will require the States, beginning July 1, 1969, to meet 100 percent of need, beginning in 1969, both for old age assistance and aid to dependent children, which of course will have a tremendous impact on Mississippi, I presume, because I presume in Mississippi they are meeting only 25 or 30 percent of the need at the present time.

That would mean that for children in those rural areas it would have the effect of tripling—tripling—the payments if the Congress passes this legislation.

And the President's proposal provides for increasing Federal funds for child welfare services, and for making other improvements in the field of child health, which I think are strikingly important as steps that can be taken this year.

I have outlined those in a little bit more detail, and I should stress that the President has also included in his recommendations extending farm coverage to about a half million farmworkers by changing the contributions and coverage requirement in the social security program for farmworkers, which is now $150 per year or 20 days of employment, to $50 per year or 10 days of employment. And if that were to be enacted by Congress, it would mean that roughly about 500,000 more farmworkers would pay contributions under social security and receive credits for it and thus enhance their social security protection, although others would be omitted because of the crew leader provisions in the legislation. Well, I could make a number of other comments, but I hope that in what we have said I have been provocative enough to have you ask me some questions.

The CHAIRMAN: Thank you very much, Mr. Secretary. You have been provocative, and certainly we have a lot here to go on.

Dr. Ford, and then Dr. Hutchins—what we usually do is begin on the left.

Mr. FORD: Mr. Secretary, I am particularly interested in your comments concerning local taxation because I feel this is an extremely important matter, and I think you are the only one I have heard who has introduced it before this Commission.

However, I am not sure I am clear as to what your suggestions are, whether we should search for alternative tax sources or whether we should eliminate local requirements for receiving Federal grants. Would you care to expand on that?

Mr. COHEN: Yes. I would take it in steps, because I realize I am proposing a very big attack on a big problem.

First, I would, for instance, in public assistance, if I had my own—if I could make the policy, I would prohibit local contributions and only require State contributions. Congress does to some extent—I did recommend this a couple of years ago in connection with the so-called Medicaid program. Congress didn't go along completely with it, but they did put a requirement in that the local contributions had to be limited, because in these programs, as I tried to indicate, if you do make the local contribution, and you can't get it, you are either going to have to have a State equalization program, or the program is lowered to that level.

So I would say in most grant-in-aid programs I would try to delimit or not require, or prohibit in effect, local contributions.

If that were not possible, I would certainly try to make, if I could, at least in more general programs, like in the education program, wherever possible make the Federal grants 100 percent.

Take, for instance, Title I of the Elementary and Secondary Education Act. It is determined at about roughly 50 percent of what the average per child education cost is in the State, but once it is given to the local community they don't have to add any additional money to it.

So I would try to think up various ways in which the Federal role would not be conditioned. If anything like the Heller-Peckman plan on universal grants is made, in my opinion it should be made contingent that what the States get would involve some reduction, or no increase in the property tax, and a greater use of the income tax in that state so that we get a greater degree of fiscal progressivity in order to get these services by 1975 to the rural areas. And that is the only way that I can see more Federal funds and more State funds and less local taxation funds if you are going to have health services, education services, and welfare services in the local communities.

Mr. **FORD**: I can understand the 100 percent. I do not quite follow why you would prohibit—do you mean this is a condition?

Suppose a local community wanted to supplement a program of this sort.

Mr. **COHEN**: I don't mind if they supplement it, and I will give you an illustration.

I was teaching at the University of Michigan. One year I favored a bond issue for a local school, and who voted against the bond issue for the local school? All the older people. All the people over 55 in their community voted against it, and we lost it; and we went around, and they said to me, "Look, we raised our children, we paid our taxes, and I'm on a more or less fixed income ready to retire. Why should I raise the property taxes on my home to pay for that school?"

And we lost the bond issue.

You know, you can have a big philosophic discussion with those people about community interest, but the old lady who is on a $60 social security benefit says, "I just can't pay any more."

To me, that is one of the big inhibiting factors where local, rural communities—it is not because those people are antisocial, or that they have less social conscience than other people. It is just because they are caught in a situation in which they can't see themselves raising the income to pay for these.

I must say I am not proposing a constitutional amendment to prohibit the property tax, but I am just saying to the extent that you can explore and find ways to inhibit it, I think the objectives of eliminating rural poverty would be enhanced.

Mr. **FORD**: Where are you finding objection to this type of proposal, from what groups?

Mr. **COHEN**: Well, I think the problems come about this way. It is very difficult to get 100 percent Federal grants for these programs, because 100 percent Federal grants, although there are many illustrations of them, do appear to many people, Governors and other people, to sort of circumvent the local community; and many people believe that unless the local community has a financial interest it is not going to spend the money wisely and intelligently, and it is a good point.

So that you have a dilemma. You really have a basic conflict between achieving national objectives and local interests.

Now, take for instance Title I of the Elementary and Secondary Education Act—I think that is very creative, because we did make the local school district responsible for the program. We got local intervention and local responsibility.

The **CHAIRMAN**: They did cut down on the local expenditures after they got that.

Mr. COHEN: In some instances. But it is supposed to be prohibited by law.

Mr. HUTCHINS: What were you going to do with the $11 billion to eliminate poverty. Was that annual?

Mr. COHEN: The estimate to make up the gap is $11 billion, and what I am saying is a matter of statistical information. If you want to eliminate poverty and pay everybody that gap, it would be $11 billion. My own opinion is, should the Vietnam war end, the economic problem of solving that is not a great one. It only represents, now, 1.6 percent of the GNP, but I don't think it is so easy to just pay people an income deficiency program, because you have to keep that up, and that is why I said spending money for education to permanently eliminate poverty for the future is a wise investment.

Mr. FORD: Thank you.

The CHAIRMAN: Go ahead, Mr. Gallegos.

Mr. GALLEGOS: In your goals, you expressed concern for all Americans, and I don't question that, but I think sometimes in making an analysis of all sections of the community that this data is somewhat absent from the data that you use.

For example, on the heads of households. I think you used white and nonwhite, which excludes specific regional populations, such as in the Southwest.

I think one of the problems in looking at HEW information is that it lacks some of this information about the forgotten minority.

Are you revising your data so that as you look at the impact of the Elementary and Secondary School Act you can pinpoint specifically to the regions and populations a little more accurately?

Mr. COHEN: Yes, of course. Take the Elementary and Secondary Act. We will have information when that comes out by school districts in which we will be able to analyze very specifically both the—well, I shouldn't say income, because the income is already determined. It has to be now under $2,000, and next year under $3,000, but we ought to be able to examine the ethnic as well as the other factors that relate to those school districts, to appraise what is happening both with respect to the kinds of students and the kinds of teachers and the kinds of parents and the kinds of families and the quality of education.

I think that when that information starts to come in the American public is going to be appalled at what in some parts of this country is the frightful and scandalous low quality of education for American children.

And you are quite correct that at least out of this will come not a final evaluation, but more information than ever before that shows that the inequality of expenditures as now exists between school districts on education is one of the—I use the word advisedly—scandals in American education.

I know money is not the whole answer, but it sure is a good indication that if in some school districts they are only spending one-third of what Westchester County spends, I think I have a pretty good basis for saying they are not getting the same education as they are getting in Westchester County, and until those inequalities are minimized in the United States you are not going to have high quality education.

Mr. GALLEGOS: My final question is also related to the question of ethnic matters. What is HEW doing to improve its pattern of hiring Mexican Americans at a policy level of the Department, because it is my understanding that there are few Mexican Americans above GS-11 or 12 in your Department, and I ask this out of personal concern as well as out of questions one of my colleagues has raised, that the problems of the region will not be dealt with with sensitivity unless you have people who are familiar with it.

Mr. COHEN: Yes. For the last 3 years we have tried very conscientiously to recruit, both as far as employment and our advisory committees and policies, people of Latin-American ancestry, and Mexican Americans.

I have worked diligently at it myself. I find out our difficulty is getting—I suppose what you have got to do and what is difficult, you have really got to go out and know where the people are, and who they are, to get them in.

There is no question that we have a need for a lot of competent people in every field, and the Secretary and myself are most willing to go out of our way to find the methods to hire these people, but in some way they have to be brought to the attention of the appointing officer, or else in the competition for jobs it is likely that they may not get as good a break otherwise.

So I would say part of it depends on the diligence of people in the different fields, whether they are psychologists or child welfare workers or health people.

In almost every field that we are working in, there is a shortage of personnel, so there is no—what shall I say?—adverse or unwillingness to hire the people. In fact, we are glad to have competent people.

So where we can see that there are such trained people, and if you bring them to our attention, or if there is some more concrete way that you can suggest that we find them, we will be most happy to do it.

It may be that we don't have the techniques to do it yet, you know, to find them; but, for instance, 2 or 3 years ago I talked to the Mexican-American group in the Mayflower Hotel, and we discussed the same problem.

I said, "If you will tell me of a worker in child welfare or any of the 35 shortage fields we have, if you will write me"——

The CHAIRMAN (interrupting): Mr. Cohen, you know that is the oldest argument in the world on ethnic and minority groups, and the responsibility for finding people in employment does not rest with the group. It rests with HEW.

Mr. COHEN: I don't accept that completely. But when we have five people coming to our attention, if the sixth person—if we can't find him, we can't look for him.

The CHAIRMAN: I understand what you are saying, and I recognize that, but the only thing is, we come back to the same story, if you will find them and send them to us, we will hire them.

Mr. COHEN: We have a civil service system. They have to be on a civil service register.

The CHAIRMAN: I know it from A to Z.

Mr. COHEN: We will try to get him on the civil service register.

The CHAIRMAN: I just want to get it on the record. The burden for solving this does not rest with the Spanish-speaking Americans. The Federal Government has got all the resources at its disposal that are necessary to search out and find people. We had the same problem with Negroes. We had the same story, day, morning, and every night.

Something happened up there, but all of a sudden they started finding some instant Negroes.

I am not talking about you, sir. I am just talking about how things go.

Mr. COHEN: Let me say this. I come from a group that was once considered a minority group with a lot of adverse difficulties, and I just want to say that I do not think any group gets ahead unless they push their potentials to the employing people and show what they have got to offer.

The CHAIRMAN: I understand that.

Mr. GALLEGOS: This is part of our problem with the funding of Federal programs, as well as the concept that opportunity is here. Merely, you know, the organizing and the mandate and Congress says, "Here is a service which now has been funded." It leads to the erroneous idea that because something is set up people will avail themselves of it.

Mr. COHEN: Right.

Mr. GALLEGOS: We find throughout these hearings that minority people are not given the opportunities to serve, and I think unless Washington does an affirmative job at the top, I don't think people at the local level are going to do any better.

The CHAIRMAN: Mrs. Caldwell was next.

Mrs. CALDWELL: I think, without anybody disputing the fact, I represent the most poverty-stricken State, and I think it is well, Mr. Secretary, to say that by 1969 Congress has said, "This must be done," but let's look at the problem.

In Mississippi, over 70 percent of the general fund budget goes into health, education, and welfare programs, and look at the pitiful inadequacy of those programs.

When you think of a State that comes up with an appropriation for public welfare of $30 million, and we think it is wonderful we got a $2 million increase, and you think of the $30 million coming in for Headstart for 1 year, and $30 million for 2 years for the whole State welfare program, and there is not much to grow on, how are we going to resolve this and keep the Federal-State relationship?

Mr. COHEN: Are you asking me how Mississippi is going to meet this 100 percent?

Mrs. CALDWELL: We have some neighbors who are not very much better off.

Mr. COHEN: There are two ways that I think will be directed toward meeting that. First, the raising of the social security benefits should release some State money going up to $70.

Mrs. CALDWELL: We pay so little now. You see, you get that and you still save so little State money.

Mr. COHEN: Yes, but it should have some effect on that.

Secondly, the President's program will provide a fund for 2 years of $60 million a year to help States like Mississippi, which have shown that they have exceeded their efforts as measured in relation to per capita income to pay the difference between what they pay and 100 percent of need.

So to some extent, if Mississippi can show, as I think it can show, under that criterion, one, that it is a low income State and it has need and, secondly, its effort is more than the average efforts that most States make, which I think is true for Mississippi, we would then pay at least part of that difference to help you meet the 100 percent of need.

Mrs. **CALDWELL**: One other question, if I may.

The **CHAIRMAN**: Mr. Cohen said he would stay as long as we wanted to stay.

Mrs. **CALDWELL**: The concept of education for the deprived is excellent, but on the other hand, here again, the decisions as to whether or not the money reaches the child is left with our local school board.

The school systems have long tried not to see the very children that this money was set up to serve, and they are finding it quite difficult to see these children or to recognize their need, and I am afraid you will find that when you get into looking at how the money was spent—not last year, because it could be spent so much for things, films and books and stuff, but this year it is not going to really be used.

And what was the thinking of putting so much of what we commonly think of as the social service program in something that a local school board could turn down rather than in your welfare program where, if it operates at all, it has got to operate everywhere.

Mr. **COHEN**: Well, I think the reason had to do with something that might not appear very obvious, and that was the desire of Congress to include something which could also go to nonpublic schools.

When you got to the issue of Church-State and had to deal with the problem of equality of treatment, Congress decided that it may well be for what they called health—I can't remember the terminology—health, something and other remedial elements, the idea was that you could then provide, let's say, a State program for private school children, or health services or school lunch service, or some type of health service that would not formally fall within the constitutional prohibition as an education service qua education.

So I think this derived from a whole series of other political factors. I am giving you my opinion. I may be wrong, but I think that I am probably pretty close to correct, and of course that does introduce a situation in which there is some proliferation of these services.

We have a big issue in this country on how to organize health services. Should they be through schools, or through health departments? We now have them through both, and I recognize that this is a difficult situation and, here again, probably you can't have today a real national policy on this because some school districts go down one route and some go down another and some go down both of them, and if you really want to develop a pluralistic administrative program in this country, you have to recognize you have a lot of school systems.

The **Chairman**: Mr. Gibson?

Mr. **Gibson**: Mr. Secretary, we heard testimony of some conditions which illustrate why disparity between the standards and criteria of eligibility in various States—for instance, in Arizona, a 5-year resident requirement existed, and we were told of instances by some people coming from Mississippi and Alabama, some counties where in order to be certified eligible they had to have signatures of the landowners or persons who were in the landowning class in order to receive benefits, and other illustrations.

It is a fact that about 21 States have——

Mr. **Carter** (interrupting): Unemployed?

Mr. **Gibson**: Is there any legislation needed to get standards of eligibility, or is that a matter of administrative policy?

Mr. **Cohen**: Well, I think you have two questions there, and let me see if I can separate them out.

First, the Federal law provides in different categories what the maximum so-called residence and eligibility can be in length of residence, for aid to families with dependent children. If the mother has lived in the State for 1 year, of if the child is born in the State, they must be eligible.

So there is no 5-year residence requirement there.

There are various different requirements for the programs. I think the major difficulty is twofold, that the Federal Government does not match at all for what we call general assistance, for just a needy person who is needy if he isn't aged, which comes into one category, or a child meeting certain conditions or blind or disabled.

A person aged 35 who is just not earning enough and is in poverty and has two or three children, there is no Federal category that provides assistance to the State for that category.

And not only do some States have long residence requirements, in most cases they don't pay for them at all, no matter what residence they have. It is just not available. There is no Federal money for that at all.

So, back a few years ago this proposal was recommended: that the Federal Government give money to the States where the child was a member of a family where the father was unemployed, and as I indicated, only 21 States have adopted that, or maybe it is 22 now, and the President is recommending this year that the program be extended, because it expires this year. But I am not too optimistic that these other 30-some States will pick it up.

The reason for that is that in those States, both because of fiscal reasons and because of reasons related to their feeling that you shouldn't give cash assistance to a man who is unemployed who is an employable person, remains an obstacle in their local attitude toward it.

But it would be my hope that the President's recommendation would provide for the combination of work and training programs to give these people training in employment; and some incentive if they go to work to keep some of the money might encourage some of the States, although I would presume that a State like Mississippi still can't even meet its standards in the existing categories and would be reluctant to go into another program.

So that is still a problem. I would say until we can get Federal aid for all needy people, and until you can get all States coming in, you are still going to have large numbers of people who are needy who will not be getting any Federal aid and, consequently, no local or State aid.

Now, in answer to your specific question, it is not our regulations which prohibit anybody from getting assistance by reason of residence requirements.

This is either Federal law or State adoption of the program, or lack of Federal comprehensiveness in law covering that area.

Mr. GIBSON: We have already heard in another category from a number of people in a variety of circumstances, some farmworkers and some urban, about the inability to avail themselves of seasonal or part-time work if they are recipients of assistance, without facing the danger of having to go through a protracted application period again during which—when the seasonal work is over—during which they are totally without any income.

We are constantly hearing about this, and we see this as an impediment to people working their way off the total dependency rolls, and we see people having to opt either not to utilize the welfare and benefits at all, or to be totally dependent on them and not to utilize any employment opportunities they may have, even sometimes when they have gone from training programs which the welfare departments got them into in the first place.

What steps, if any, are now being taken with regard to introducing greater flexibility in the criteria that create this sort of situation?

Mr. COHEN: I look upon this as a matter of good administration, and I think that it is an element that is difficult to get. It requires a very painstaking working with the individual client. It is true that an individual client, especially one with meager work skills, a lot of unemployment, maybe a limited education, no matter what you do, would rather stay on the welfare than go off and come back, even if the caseworker or somebody told them that they could, because there is a feeling that, "Well, if I get off, I won't get back," and I think therefore when you say what do we do, the flexibility is there in the program, a good administration would try to overcome that.

But I do think that it is not easy to do.

Now, we are trying to introduce one new factor in the program this year——

Mr. GIBSON (interrupting): Would you say why it is not easy to do?

Mr. COHEN: I think it is because of the insecurity the client has about getting off.

The CHAIRMAN: Suppose he didn't have to get off, or suppose it could be made easier for him to get back on. Wouldn't this enhance the security of the worker?

Mr. COHEN: Yes, that is what I am going to touch on. That is my next point.

The way to do that is exempt some of the income that the person has by working so that they stay on the welfare rolls while they are working and you don't count every dollar of income against them.

This has been permissive, but the President's program this year says the States will be required to do it. Beginning July 1969, and let's take dependent children, that the mother or father could earn $50 a month and still remain on assistance and keep the full $50.

This wouldn't solve every situation, but it would mean that—and the present law provides that a child when he earns up to $50, up to a total of $150 per month per family, so in this requirement, this would not be optional, this would be a requirement, that the State would have to, if that mother, that father, or that child went to work, keep the person on assistance and they could keep the money.

Mr. GIBSON: Is this to say that if a person's grant were completed at about $270, and that person made $50, they would keep the $270?

Mr. COHEN: Yes, sir, and keep the $50.

The CHAIRMAN: How did you arrive at $50?

Mr. COHEN: It so happened that $50 was already in the law on an optional basis for the child, so that what we have done is incorporate another $50 for a parent——

The CHAIRMAN (interrupting): Since it doesn't cost the Government anything for this person to earn the money, it seems to me it really is absurd to recommend $50.

Mr. COHEN: Let me explain the point. The difficulty is, if you are requiring the States to meet 100 percent of need, and then you are going to pay more except $50, you are paying need plus $50.

The CHAIRMAN: But the need is there.

Mr. COHEN: You are meeting 100 percent of the need.

The CHAIRMAN: No you're not.

Mr. COHEN: Yes you are, by this requirement.

The CHAIRMAN: If a person is on welfare, and you are meeting 100 percent of his need, which is $200, or $150, which is not 100 percent of their need, why couldn't they make $150 on their own?

Mr. COHEN: Then why would they be on assistance?

Mr. GIBSON: Can I phrase it?

The CHAIRMAN: Yes.

Mr. GIBSON: One of these programs, the aid to families with dependent children, is one which is not writing off the families as being incapable of performing adequately in society. It is to sustain them in existing below subsistence. That is the spirit of the legislation.

It seems to me rehabilitation is inherent in the legislation. In 1962, we got a little closer to being explicit about this as being intent.

Now, if we do not put forth the kind of recommendations in terms of the reforms, you know, such as the one you are discussing now which in fact assist rehabilitation, then we are not in fact pursuing the spirit of this particular program.

Mr. COHEN: The point is well taken, and the two points we are proposing, which are namely the mandatory exemption of income when an individual works, plus that the State must have a work and training program, not optional—required—effective July 1, 1969, so if the person himself doesn't have a paid job they have to at least begin to train that person or give them work opportunities, which helps in that rehabilitation process.

Now, I am perfectly willing to admit that maybe $50 isn't the right figure. I don't know just where that is, but I wanted to say to you, one of our dilemmas in aid to families with dependent children is that once you—and I am not talking about now—but if we require the States to pay 100 percent of need, and then in those families, especially the larger families, pay more than the family could earn by work in the competitive labor market, then I think we are in a very difficult situation unless we do have alternative work opportunities for them and training opportunities to rehabilitate them, as you say, because I don't think the community is going to be very enthusiastic over the long run if you pay these people, these families, more than what they could earn.

But, by saying it is an incentive element, as you said, part of a rehabilitation process, where you are helping them get trained and educated——I'm

Mr. GIBSON (interrupting): At no additional expense to the government. They are adding the additional income.

Mr. COHEN: It looks like it is no additional expense, but the argument of the local taxpayers is, if I am paying them 100 percent of need——

Mr. CARTER (interrupting): I would like to make an additional point which doesn't come out at first blush—and this is not to defend any given figure, but on the problem of incentive payment—other people become eligible for the program, so it adds to the cost of the program.

By virtue of exception, you increase the number of people who are eligible for the program, so you cannot say there is no additional cost to the Government.

I am not saying whether it is desirable.

The CHAIRMAN: There are certain floors and ceilings. You can control that.

Mr. CARTER: If you are setting a national standard, the standard is low unless the whole family gets $150. Theoretically the family could almost double the amount of money they get.

The CHAIRMAN: Off the record.

(Discussion off the record.)

Mr. COHEN: I want to say this. I am preparing to go before the congressional committees and say it costs more money to do that, and we ought to be willing to put that extra money up in order to have that beneficial result, because it is a good investment.

Mr. GIBSON: I think this is the thrust of our statement. Just two more questions, Mr. Chairman. I wanted to ask about the vocational education matching formula. It is now 50-50, is it?

Mr. COHEN: Yes, it is 50-50, yes, generally speaking.

Mr. GIBSON: In terms of the need we are discussing for population that we are concerned about, it comes down essentially that the viable solution is going to have to be education and training.

Mr. COHEN: No question about it.

Mr. GIBSON: And we have got the States going with much-enlarged activities in this regard, and we have a matching formula of 90-10, and a much more liberal formula for everything else, including business loans and public works and industrial development.

Are we yet moving to get this human resources development, to give some incentive for additional State activity by getting a much more favorable formula?

Mr. **COHEN**: Yes, I think there is a good deal of merit to that. When the 1963 act was reexamined, I frankly—the act, you know, which had been enacted in 1917; it was quite old fashioned and wasn't being kept up to date—and I really think that we have got to reexamine the vocational education program to see how it can do a more effective job, because we ought to have a program that not merely takes care of the, you know, the child who wants to go on to college and for general education, but for the skilled and the semiskilled and the technical worker.

I agree with you. I think you need, as soon as possible we need more favorable Federal matching funds in that area.

Mr. **GIBSON**: Through demonstration Labor Department programs they are doing things. When the demonstration is over, it disappears. There can be no continuation of these things. The States themselves could incorporate the techniques. I think that could be improved.

Another thing in regard to vocational education. It is my impression from the conversations I have had on this that we have a very large amount of farm-agriculture curriculum content in areas that are decreasingly agricultural. What permits this to continue?

Mr. **COHEN**: Two areas. Vocational education—there may be other experts here who know more about it than I do—but I know from my own experience that the two groups who dominated vocational education from 1917 to 1936 were the agricultural area and home economics.

I am not against the farm and I am not against the home, but the fact of the matter was that the allocation of Federal funds and the availability of Federal funds during this period was so highly concentrated in these two areas, and they weren't giving attention to electronics and plastics and computer programs and all the other types of new programs that were coming out—it was only, I think, with the beginning of the 1960's that there was a transformation in that, and there still isn't enough money, or enough zip.

We have gotten into it better. We are trying our very best to redirect and reorient that program. Both Secretary Freeman and Secretary Gardner feel that without sacrificing what we do in agriculture and home economics, we ought to put more money and emphasis into these new opportunities.

I think that is happening, but we are not at the point yet where we would be happy with it.

The **CHAIRMAN**: Mr. Gibson has gotten his testimony into the record.

Now, Mr. Bonnen.

Mr. **BONNEN**: Just two quick points and a very short question.

As a fellow Michigander, I wanted to underline a couple of things. You were talking about the difficulty of the property tax and the need for what back in Michigan for 10 years we have been calling fiscal reform.

Mr. **COHEN**: Particularly in a State where we have no income tax.

Mr. BONNEN: Right, and if you can't get this kind of revitalization for your financial base for doing things in a State as wealthy as Michigan, just think how difficult it is in a State like Mississippi, and then spread in between.

This is an incredibly difficult problem, politically as well as economically.

Second, you were using the States on proportion, poverty expenditures in proportion to GNP. We should recall, coming out of the depression, we were spending over 4 percent of GNP on poverty-type related programs.

The question I wanted to ask was just a brief one. You indicated some uneasiness over the current definitions of poverty. Is the Social Security Administration doing anything to meet some of the present inadequacies of this?

I don't want to go into any details.

Mr. COHEN: You mean the statistical concepts?

Mr. BONNEN: Yes, so that they can be related to programs more directly.

Mr. COHEN: Yes, we are doing something. It is a large job, and Miss Orshansky, who is the young woman who is responsible for the development of all these elements, has got to depend largely in this area upon the Agriculture Department, of food requirements——

Mr. BONNEN (interrupting): That is one of the things. If you don't eat very well, you are poor. But the other things don't have anything to do with it.

Mr. COHEN: Miss Orshansky has the so-called poverty level, and the other is called the low income level.

Obviously, if you lose the low income level, which may be what the Chairman had in mind when he was talking before, instead of getting 34 million in poverty, you would get 44——

The CHAIRMAN (interrupting): Fifty-eight, by my definition.

Mr. COHEN: My answer to all those is, we have got enough problems trying to solve the 34. I am perfectly willing to keep on tackling the 34 before I solve the 58, but I think we are at a point now where, with the further work we can do in this, we ought to be able to perfect it a little bit more and have probably—I am not sure whether they have two levels, or maybe even three levels.

They have different concepts between what is really a subsistence level, with what I think the poverty level is, and something which I think is above it, and something which is maybe even above that.

Mr. BONNEN: I have wrestled with this problem myself, and I know how difficult it is. This is certainly the most sophisticated analysis that we have. The thing that bothers me more than the levels problems is that we are now, with the data we have, locked into these food budgets, where we need to relate our expenditures not only to food, but to housing, transportation, that the programs are built around—all of the human needs.

Mr. COHEN: You are correct. It may well be that the relationship between the food part is a big problem. You mentioned that food was locked in.

Even if you made the assumption that that was correct, what they have to do is assume a relationship between the food budget and the rest of the budget, which is quite a big assumption.

Maybe that is erroneous, or somebody else might think it is too low.

Mr. **Bonnen**: It is bound to be erroneous. It is too big a logical jump. It would be much better if we could base our estimate on an expenditure approach to welfare.

The **Chairman**: If you can tolerate a couple of more questions? Mr. Gallegos.

Mr. **Gallegos**: One of the more imaginative ideas that was extended to us this afternoon was there be a model rural area program comparable to demonstration cities, and it was indicated that the idea had been circulated to people on the Cabinet level.

I was wondering if you have any comment on this.

Mr. **Cohen**: I haven't seen any of the basic materials on it, so outside of expressing the point of view that I think anything that shows some forward momentum in tackling this problem is good, I am not aware of a particular project or proposal.

Mr. **Slater**: The Secretary of Agriculture has been trying to get this before Congress.

The **Chairman**: This is what this is, building new communities, really. That is what it is.

Mr. **Gallegos**: I was speaking of programs for giving community services.

Mr. **Slater**: That was what the Secretary of Agriculture wanted to do.

Mr. **Cohen**: We have worked with giving a grant to the University of Minnesota for the development of a model community. I don't know just—I haven't thought of it as being either urban or rural, but Dr. Everett there, and a number of the people there, are interested in —we have put together quite an amount of money, HUD and EDA and ourselves—I think some of this experimentation in bringing the total resources all together with some model community with different kinds of economics, social and other relationships, ought to be done, and I think it ought to be done in a number of different places with different regional activity types of relationships.

The **Chairman**: Mrs. Caldwell?

Mrs. **Caldwell**: I was wondering how successful the efforts have been in HEW in family planning. Is this catching on?

Mr. **Cohen**: Well, let me say, Mrs. Caldwell, knowing where we started from a few years ago, I am very, very gratified at the reception we have gotten for Secretary Gardner's policy of family planning.

Not only, as far as I know, have State health departments received it enthusiastically, but my test is the other way around. We have got very little opposition. We have had no real opposition now. A few weeks ago—I will give you an illustration.

I think you may know of the exchange of letters between the Secretary and Mr. Raynor, the welfare commissioner of Oklahoma. As far as I know, we didn't get a single letter of opposition to that, which I think indicates the extent of change of attitude in just a few years.

And Connecticut, the welfare commissioner of Connecticut has just adopted a plan to give family planning. Connecticut was the State that had the law that had to go to the Supreme Court.

We finished nine regional conferences. I think that idea has been well received. Saying that, we have to go on to the next step, to get the information to the individual. The first step was really informing the Federal, State, and local agencies that Federal funds could be used for this purpose, and the States and localities could take the initiative in utilizing them.

I think, and you would be a better judge than I am, I think the information isn't around to everybody, but it should be getting around.

Now, I think in the next year or so what we want is to disseminate that information to individuals, to the millions of people who use the health and welfare services.

But at least in what I call Stage 1, Secretary Gardner and I are very, very enthusiastic about the fact that the policies have received such wide public support.

The CHAIRMAN: You had one quick question?

Mr. GIBSON: You mentioned the project that the University of Minnesota is working on. Is the project launched, or is it a study?

Mr. CARTER: The proposed project we have been considering providing funds for is a plan for an experimental city, as he calls it, which would give an opportunity to install a brand new city in a nonurban area.

Mr. GIBSON: Is this a satellite town?

Mr. CARTER: No.

Mr. GIBSON: Any projection as to size?

Mr. CARTER: The problem——

The CHAIRMAN (interrupting): Mr. Cohen, Mr. Carter, Mr. Slater, we appreciate your coming and particularly staying the length of time and giving us a chance to go into exhaustive inquiry. It will be beneficial to us.

This is the last person to come before the Commission, and as far as I know, unless the Director or someone has something else to say, we will convene again tomorrow morning at 9 o'clock in the Executive Office of the White House. At 9:30, that is.

(Whereupon, at 6:45 p.m., the hearings before the National Advisory Commission on Rural Poverty were concluded.)

Material Submitted for the Record

STATEMENT SUBMITTED BY RICHARD W. BOONE, EXECUTIVE DIRECTOR, CITIZENS' CRUSADE AGAINST POVERTY

A VIEW OF POVERTY FROM A SLIGHTLY DIFFERENT ANGLE[1]

There is no more perplexing problem in this country than the fantastic gap between America's poor and its vast financial resources, its proliferating technology, and its brainpower. The central question is, can this gap be bridged?

Few poverty problems have received such persistent "attention" from the Federal Government as those of working farmers, farmworkers, and migrants. However, the late Lloyd Fisher, one of the country's outstanding students of agricultural economics, reminded us:

> *Reform is more frequently a problem of power than of knowledge.* The unpleasant and even shocking facts of disease and malnutrition, the brutalizing effects of poverty, are well enough known to lie heavily on the conscience of large sections of the American public. One of the curious characteristics of this problem is that the facts are rediscovered every few years. It is testimony to the drama and the eloquence of the facts that we have not yet become altogether accustomed to them and they still have power to awaken conscience and even guilt. But conscience can only put the issues; it is *political power* that resolves them. (Emphasis added.)

But farmworkers have neither effective political nor economic power. And with the exception of the remarkable Agricultural Farm Workers Organizing Committee, they are unorganized. And depressingly large numbers of these farmworkers are poor. This should be alarming to us for a variety of reasons. However, last August, Defense Secretary McNamara gave the nation added cause for concern when he suggested that the growing incidence of internal conflict in the world arises not primarily out of Communist aggression and subversion—as real as that is—but out of the bitter frustrations born of poverty. He stated that the hidden cancer of poverty within our own democratic framework, eroding the spirit of one out of every five Americans, makes our nation less secure. He illustrated his point by recalling that on 59 occasions since the end of World War II, the Governors of our States have used National Guard troops to quell disorders that could not be controlled by local or State police. Most of these emergencies, he stated, were poverty related.

What are some of the other costs which poverty has produced? The annual cost of crime in the United States amounts to over $27 billion.

Public and private spending in the welfare area, according to one noted economist, amounts to over $50 billion annually.

Other costs in terms of generations of human degradation, deprivation, and dependence cannot be tallied.

Obviously, we cannot estimate in money the cost to an affluent society of its wasted human potential or the weakening of its moral fiber and spiritual strength when that society disregards the poor in its midst.

Some have suggested that the sometimes raucous and bitter outcries from the poor have "turned-off" many Americans. Others have suggested that we have an overabundant supply of faulty hearing aids. I would suggest that we turn ourselves "on" again by cutting out empty rhetoric and false promises from the War on Poverty. Firm commitments, not frustrated hopes, are in great demand.

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[1] These remarks represent Mr. Boone's views as an individual citizen and not as a representative of the Citizens' Crusade Against Poverty.

If we are seriously to address this human misery and protect the integrity of this nation, we must understand more clearly where we are and where we want to go.

Sometimes we lose sight of our ultimate goals: Safeguarding the freedom and dignity of each individual and promoting an improvement in the quality of his life. We try to achieve these ends by developing conditions which will strengthen his family and his community, the basic social units within which the individual is expected to grow to his ultimate potential. Central to realizing this goal is power—the power of the individual to have alternatives and make choices. Ultimately, the basic unit of economic and political power in a free society is the individual human being. And that human being must be free to join together with others for common purposes as long as the basic rights of other individuals are not infringed or the laws of society violated. In rural America are we worikng effectively towards this goal? Let's look at some of the facts.

1. *There is an extraordinary concentration of poverty in rural areas, especially among farm families.*

43.4 percent of farm families lived in poverty in 1963 (family income under $3,000), almost three times the rate for nonfarm families.

2. *Farm income is extremely low and is declining.*

Per capita income for farm residents from all sources in 1964 was $1,494, compared to $2,595 for nonfarm residents. 11.1 percent of farm families earned under $1,000 in 1963.

The average migrant in 1963 earned only $657 from farmwork. He averaged an additional $211 for 17 days of nonfarm work.

Many families in southern "black belt" counties earned less than $400 annual income.

3. *Farm productivity has increased greatly, while total farm acreage has shrunk and a noticeable shift is underway toward large and giant farms.*

Farm productivity went up 94.5 percent between 1953 and 1964, over three times the rate of increase in nonfarm productivity.

90 percent of the food and fiber produced in America is produced on 1.5 million farms representing less than 4 percent of our total population.

Farm acreage was reduced by 14 percent from 1953 to 1964.

In 1964, large farms (with sales above $25,000) produced 39.0 percent of total farm sales (up from 31.3 percent in 1953 and 26.0 percent in 1947) with only 4.1 percent of the farms.

4. *Although the total number of rural residents has remained relatively stable since 1920, since World War II there has been a heavy out-migration from farms to urban areas, especially among nonwhites and young adults.*

In the first Federal census taken in 1790, 19 of 20 Americans lived in rural areas. By 1920, the majority of Americans lived in cities. Today less than one out of three live in rural areas, and of those, 23 percent live on farms.

During the height of World War II, net out-migration from farms averaged 1.6 million annually. From 1950 to 1960, the annual total leaving farms was over 1 million. From 1960 to 1965, the total dropped to 800,000. (The average rate of decline was 5.7 percent during 1960–65, a rate almost as high as during World War II.)

Nonwhite out-migration from farms increased 240 percent faster than white. Most nonwhites departed for urban areas.

The very young and the older population remain behind in rural areas. About 900,000 rural youths turn 16 annually, most of whom seek employment in the cities.

5. *Rural poverty is highly concentrated regionally, particularly in the South, and among Negroes, Mexican Americans and Indians.*

93 percent of rural Negroes and 98 percent of all Negro farm operators live in the South. About eight of every nine nonwhite farm families are poor, compared to 50 percent of white farm families.

The largest geographical and social concentration of rural poor can be found in a crescent of poverty extending across the South from Maryland to Texas. Heavy concentrations of poverty can also be found among Mexican Americans in the Southwest and among Indians on reservations.

6. *Low farm income combined with agriculture's significant position in the total economy makes the debt picture in agriculture very disturbing.*

Agriculture in the United States is our largest key enterprise and market, more than twice as large as automobiles and steel combined.

Capital investment in agriculture is over $235 billion, an amount equivalent to 60 percent of total corporate investment in the country.

Of $31.0 billion invested in durable production equipment in 1963, $2.1 billion or 10 percent of the total was spent for farm equipment.

The U.S. debt picture in general is disturbing. In 1950, private debt (including corporate debt) was about $200 billion. Today it is about $900 billion. Of $381.3 billion in private debt (excluding corporate debt), $32.8 billion or 8.6 percent of the total was owed by farmers in 1963. In 1947, farm debt was only $8.6 billion. This amounts to a 400-percent jump in farm debt from 1947 to 1963.

The tight money market and low bank deposits in rural areas make credit to farmers for capital expansion difficult to obtain.

7. *Big-city ghettos have become powder kegs as a result of excessive inmigration of the rural poor.*

It was recently reported that as many as 1,000 displaced farmworkers are pouring into Watts monthly.

Senator Ribicoff describes urban ghettos as "seething with discontent, erupting in violence, rotting at the core of cities, bound with the chains of problems too long unsolved and too massive to be ignored."

8. *Segregation and racial discrimination in the South has caused severe social, political, and economic injury to millions of rural Negroes.*

The U. S. Commission on Civil Rights in its 1965 report "Equal Opportunity in Farm Programs" concluded that racial discrimination has accelerated the displacement and impoverishment of Negro farmers and has increased the social, educational, and economic gap between white and Negro farmers. It is interesting to note that the most rapid increase in the use of mechanical cottonpickers and improved weedkillers paralleled the effort of the Negro community to secure political rights. In 1966, in the Delta, over 90 percent of the cotton was machine picked, compared to 69 percent in 1965. Yet Federal farm programs which made these advances possible were denied Negro farmers as a result of their exclusion from local decision making affecting the dispensation of benefits. Although racial discrimination in agricultural programs has been significantly reduced since the Commission report was issued, not a single Negro is included yet among the 5,000 county ASCS committeemen in 11 Southern States. These "democratic" committees make decisions affecting acreage allotments and the adjustment of program benefits. Without a massive and concerted effort by the Federal Government, the voting process by which these men are selected will never operate properly. It takes more than a mere grant of the right to vote to develop a democratic process among rural Negroes, a people damaged for generations by institutionalized "white supremacy" and the forced dependency of poverty.

In 1962 and 1963, to expedite "Negro removal," white citizens' councils went so far as to offer displaced rural Negroes free bus fare to encourage them to migrate into Northern cities.

9. *Continuing discrimination by public officials in Federal welfare and education programs threatens a termination of benefits for the rural poor, pressing them further against the wall of deprivation.*

Under Title VI of the Civil Rights Act of 1964, termination of funding is an available weapon to end discrimination. Since no Federal "alternative channels" have been developed to maintain the flow of Federal funds and services, which under most programs must go through public agencies, segregationists have goaded the Federal Government to use this weapon. They realize that the poor will suffer most.

Is Democracy Working in Our Poorest Rural Areas?

Rural America, once the bedrock of our political and economic system, may now be the source of most of our social ills. It is weak and growing weaker. Reapportionment decisions, as crucial as they are to political democracy, will further weaken rural communities unless these areas can be assisted to recapture their economic and political health. Paradoxically, as these areas become weaker, the phenomenal and varied abundance produced by the "technological explosion" in agriculture continues to improve the standard of living of most Americans.

Planning and the delivery of resources and services to rural areas is based on the naive assumption that democracy is working in rural America. Unfortunately, in those low income rural areas where Negroes, Mexican Americans, and Indians reside, the poor have traditionally been excluded from local political control and local decision making. Planners must begin to build "practice in democracy" into all their programs. They must recognize that an extra effort will be required to overcome layers of apathy, distrust, and frustration.

Where participation by the poor in planning and policy making is required by law, the process should not be mere "window dressing" for Washington. The end result of this process must be tangible, clear, and relevant to those involved. It must be tied to a strategy of developing "success patterns," concrete results which are meaningful to the poor. And, crucial to the success of this process, is the method by which spokesmen are selected. They must be "true leaders" of the low income community, responsive and responsible to their constituency.

What Is at the Core of Rural Poverty?

As Leon H. Keyserling illustrated so well in "Agriculture and the Public Interest" (February 1965), declining farm income is the "real heart of the farm problem." Mr. Keyserling estimates that total national production should have been $590 billion higher than it was during the period 1953–64. Most of this loss was attributable to insufficient expansion of consumer demand, in turn produced by lack of consumer income. He suggested that of this total loss, $100 to $150 billion came from a deficiency in total farm income.

Mr. Keyserling states that we are still producing far below our maximum productive potential in agriculture. With 20 percent of American families still on deficient diets and more than half of the world's population going hungry, he suggests that we can meet new domestic and export demands by increasing acreage and keeping farm employment at its present levels.

Is Income Enough?

Is income enough? Clearly not. Poverty cannot be overcome if an individual with few marketable skills becomes permanently dependent on either the Government or, where there is a tight labor market, on his employer. The first precondition to overcoming poverty is therefore:

A secure and adequate income. We must find new ways to gain for each person an adequate *and* a secure income. Without both, he may lose the battle on the two other major fronts on which poverty must be fought, namely:

A proportionate share of democratic power. We must help organize the poor into organized communities of "people power," power that can be directed into producing responsible leaders and meaningful and constructive community action. This power can also be focused on making "producers" of human services accountable and responsive to the needs of those affected.

Access to the full range of human services vital to effective participation in modern society. Access to a wide and adequate array of human services is crucial to developing an effective human being and a dynamic community. A comprehensive strategy (shaped to each community's specific needs) and sufficient funding is therefore needed for effective programs in such areas as education, health, legal services, housing, employment counseling, and accounting and technical services. With planned infusion of outside resources (e.g., skilled professionals, advanced technology, and sufficient funds), members of the local community, including the poor, to take over these programs must be trained, providing each other the kinds of human services needed for the common good.

Proposals

1. *Capital loans to workers displaced by technology.*

A study group should be formed to determine the feasibility of a program which would permit farm and other workers scheduled to be displaced by automation and other technological advances an opportunity to share in the ownership of the new technology. Instead of relying on past savings for acquiring ownership, loans (which the Government might make directly or through a loan guaranty program) to share in the purchase of this new capital could be made to displaced workers. Future earnings generated by the new capital itself would be used to repay the loan. Actually, the capital would produce a dozen, a hundred, and even a thousand times more in earnings than its original acquisition cost. These earnings would be a "second" source of income to these new owners, supplementing any income they receive from a new job or from other sources.

It is interesting to note how easily credit can be obtained to purchase consumer goods (e.g., cars, homes, furniture) which, unlike credit for capital items, can only be paid off from another source of income. Much of the consumer credit in our economy has, in fact, been generated by Government through such agencies as the Veterans' Administration, the Federal Housing Administration, and the Farmers Home Administration. As a result, most people, including the poor, are up to their ears in easy credit at high interest.

There are many precedents which recognize the importance of "property ownership" to the political and economic health of the nation. Unfortunately, they have been largely forgotten since we shifted from a labor-intensive, agricultural economy to one which is highly industrialized. For example, the Homestead Act (promising a stake of 160 acres to settlers of the West) was certainly a significant catalyst for the physical development of our land. Agricultural research and training and management assistance under agricultural extension programs helped transform this program into the most productive grant of capital the world has ever known. Under the Freedman's Act, "40 acres and a mule" was similarly promised to freed slaves, but the pledge was never kept. An even closer analogy was the Bankhead-Jones Farm Tenant Act of 1937 under which the Government generated low income credit, under supervised farm management, to permit farm tenants to purchase land and capital equipment. (Until recently, Negro farm tenants were virtually excluded from benefits under this program. In fact, appropriations have been so meager that few whites receive enough credit to compete effectively with corporate or large family farms.) If the earnings attributable to the newly acquired capital were exempted from corporation taxes and, like earnings within tax-exempt cooperatives, were distributed fully to the new capital owners (except for small amounts retained for replacement and operating expenses), *about 20 percent would be returned annually on investment.* This is the average pretax rate of return throughout American industry.

The proposed loans would be safer than housing loans. The new capital not only would stand as its own security but, unlike private housing, would begin to have a new, meaningful, and secure stake in our economic system.

2. *A plan for community re-creation within selected model rural areas utilizing three new community servicing components: An Economic Development Action Institute, Community Industrial Trusts, and Community Human Service Corporations.*

The process of developing comprehensive national and regional strategies for overcoming poverty can be greatly aided by developing successful "showcases" or model communities strengthened by careful planning and massive and concentrated infusion of capital investment, technical resources, grant funds, and other forms of Federal and/or private assistance. Often, the waste of funds through "trickle programs" have become counterproductive to community development. In a sense, what is needed is a rural answer to the model cities program. It too must be based on community life. And it must serve to strengthen the family unit. It must also help people where they live and not force them from familiar and friendly surroundings. And it too must develop mechanisms for planning, coordinating, and effectively using resources available for improving the lives of all residents and for attracting investment capital which will develop industry and generate income and jobs within the community.

A community plan must fight poverty along three main fronts: (1) developing new sources of a secure and adequate income for all community residents, (2) gaining a proportionate share of democratic power for all, and (3) providing adequate human services, particularly in education, health, job training, housing, and in other basic services considered vital for an individual to participate effectively in his community. And the overall plan must develop criteria which, in guiding the selection among thousands of needy communities, can distinguish those with a high probability of success. One important criteria is that there be a high level of political unity and responsible and democratically accountable leadership within the low income community.

Such a demonstration must aviod "shotgun" programs and some of the mistakes encountered by the Area Redevelopment Act. Under this act, certain areas were made eligible for economic development loans and technical assistance based on the area's unemployment and underemployment rates and other poverty-related factors. However, the poor were treated more as statistical abstractions and symbols of eligibility rather than as tragic victims of poverty, inferior education, and technological displacement. Most of the poor were poorly trained and relatively unskilled farmworkers. Investment loans were made mainly to "outside" entrepreneurs, induced to move into redevelopment areas by the Government-subsidized capital loans and, frequently, by a desire to relocate to nonunionized areas and low-tax jurisdictions. Many new industries have invested in labor-saving capital equipment, creating jobs mainly for outsiders with considerable training. The ARA programs thus hardly affected the out-migration rate of the poor in the area. The programs did little to build solid "community" among the poor.

The most unique aspect of the plan proposed here is that, unlike most other designs, it recommends *providing all households of a model rural community an ownership stake in the new productive enterprises developed for the community.* Joint ownership of the new industries (to be financed entirely from loan capital which will be paid back entirely out of future earnings of the new industries) is intended to provide a second income, separate and apart from any income received through jobs, welfare payments, or from other sources. Based on the ownership of productive capital, it will be more secure than most other sources of earnings.

The above idea is based on the assumption that political democracy ultimately depends on economic democracy, and that economic democracy, in our economic-political context, is most secure for families who own the capital that produces our tremendous flow of goods and services. In a sense, this idea has become manifest by the increasing demands of labor for profit-sharing plans—devices which establish a quasi-ownership nexus over industry by union members.

There are three key components to this plan: an Economic Development Action Institute, a Community Industrial Trust, and a Community Human Services Corporation.

THE ECONOMIC DEVELOPMENT ACTION INSTITUTE

The Economic Development Action Institute would be the entrepreneurial and planning center for attracting capital and key management personnel for industries important to the model communities. At the outset, it would have to rely mainly on grants for its own funds. The Institute could serve a cluster of these model communities. It could be established as an agency of Government, as a joint public-private organization, as an affiliate of a leading university or consortium of universities, as an independent nondefense "think tank" action center. Each of the model communities would be represented on its board. Each industrial trust and community human services corporation would also be represented.

After target communities have been selected, economic feasibility studies of the geographic areas of the designated communities would be undertaken by consultants from many fields. This would give a fairly accurate picture of an area's marketing possibilities, its labor supply, and its industrial potential.

Next, planning and operational designs would be devised for the types and sizes of new industries that could be absorbed into the area and phased into operation over a 5-year period. Each of the industries for an area would be designed to be competitive and well-managed to meet economies of scale, and to insure the highest level of technological and economic feasibility.

Tentative commitments from commercial banks, Government, foundations, and industry would then be sought for these industries in order to supply large-scale loan capitalization. These loans would be repaid through the community industrial trusts in each target area.

Topflight management and management training personnel who would be willing to relocate to these areas, if funds were acquired, would also be sought out.

After the previous steps have been completed (a process that might last from 12 to 18 months), the proposals for each of the designated areas (probably not more than 10 in the entire South in the first several years) would be presented to the community for their acceptance, modification, or rejection. A typical "community" might include a complex of three to five counties in the Mississippi Delta where the forces of change have produced a high degree of unity. (Because of the inevitable problem of debilitating disillusionment and intense hostility connected with "planning without visible action" and with opening up new entrepreneurial channels, premature disclosure of designated "communities" should be avoided. The expectations of the poor should not be raised until fairly firm tentative *commitments* of resources and management have been secured.)

After negotiations with a community have been completed, the "package" would become a plan for economic development whose initial scope would be determined by the level of financial and managerial commitments previously secured. (For example, if only $25 million could be secured out of a potential $2 billion plan, it would be necessary for the community to forgo low-priority enterprises temporarily, to concentrate economic impact by restricting ownership to residents of a particular subsection of the general community, or to take other steps for effectively allocating available resources within the broader program design.)

Among the services the Institute would provide are the following:

A computerized data bank
Human service programs designing
Architectural and "new towns" planning
Legal services
Products evaluation and control
Central purchasing of materials
Continuing management consultation and evaluation
Technological and ecological systems designing
Systematic testing and evaluation of technological advances
Patent and copyright registration and licensing
Technological extension programs
Industrial planning and development
Marketing research
Fiscal management counseling
Management and vocational training
Management recruiting
Fund raising
Preparation of grant and loan applications
Other general entrepreneurial services

THE COMMUNITY INDUSTRIAL TRUSTS

Loan funds secured through the Economic Development Action Institute would be poured into a Community Industrial Trust to develop competitive and well-managed industries that have been programed for that community.

All families within the model community, not just the few who now have easy access to capital, would be eligible (perhaps through an enrollment process) to become beneficiaries of the trust within their community. (The details of eligibility for new residents would still have to be worked out.) The trust would temporarily hold legal title and be responsible for management of the new industries and other assets of the trust. (A typical board of trustees might give 51 percent of control to the lenders of credit, with the remainder divided among "grassroots" leaders, other community leaders, technical experts, and management.) Legal title and control of the industries would be gradually passed to families in the form of shares, issued in the amount that the loan principal is retired by payments made from corporate earnings. As earnings begin to build up above the loan amortization amounts, dividends could be distributed and thus begin to increase family income. Legislation could also be sought to exempt these new "community industries" from corporate and other taxes, so that earnings could be maximized. Examples of "new industries" would include: drug companies to which Government-owned patents are assigned, electronic component and assembly plants, fertilizer and chemical production plants, corporate farms, food processing plants, marketing outlets, innovative low-cost industrial housing, production plants devoted to the manufacture of useful products from industrial waste, etc.

Families within the demonstration communities would benefit from the new job opportunities that would naturally result, as well as gain many other benefits that would flow from ownership of the new industries within their communities. Besides the new jobs, families would have a second source of income, no longer dependent on the whims of the "boss" or the local welfare bureaucrat.

COMMUNITY HUMAN SERVICE CORPORATION

The proposed economic development program could not stand alone. It would have to be supplemented by massive grants to a "community human service corporation," a quasi-governmental body in each demonstration area. This would provide the comprehensive and coordinated array of human services and facilities (e.g., education, legal services, housing, job training, health, community organizing, etc.) which are indispensable to helping individuals and families function more effectively in modern society. Eventually, as earnings from the new jobs and the investment dividends begin to mount, these services could be paid for from the income of each family.

The quality of human services can reach no higher level than when each of the consumers can withdraw from the market for a particular service that no longer meets his needs. Competitive production of human services could then develop in the same way as they are now available for those with higher incomes.

3. *Extended Coverage for Migrants and Other Farmworkers.*

Coverage of the National Labor Relations Act, Workmen's Compensation, Unemployment Insurance, a minimum wage of $1.40, the Child Labor Law, and other protection of the Fair Labor Standards Act should be extended to all farmworkers not now protected by these laws. Discrimination against farmworkers and their families is morally reprehensible and should no longer be tolerated.

4. *A study to determine the feasibility of a tax credit to defray increased employer costs for expanding coverage of minimum wage, workmen's compensation, and unemployment compensation.*

Farmers and farmworkers represent a key national resource which has benefited all Americans. Farmworkers are clearly entitled to the basic labor benefits accorded by Federal legislation. It is questionable, in view of the already grossly inadequate income of most farmers, whether farmers should absorb these added labor costs. The wisdom of passing these costs on to the consumer leaves much to be desired, since those who are poor will be hurt most by rising food prices. It is therefore recommended that consideration be given to a tax credit which would permit farm employers (whose annual sales total $25,000 or less) to deduct the difference, or part of the difference, between the average current wage being paid to farmworkers in that labor market area and a new increase in minimum wage.

Similar tax credits could be given for new wage costs arising from broadening the coverage of unemployment compensation and workmen's compensation. The revenue loss would amount to about $2 billion.

5. *Foreign service for persons from rural areas.*

There is a great need for agricultural technical assistance services to the chronically food-deficient countries of the world. We must greatly expand the job and career opportunities for low income people from rural areas by viewing the underdeveloped parts of the world as a "service market" for their talents and expertise. The need for instruction and services in sanitation, health care, construction, and agricultural development is practically unlimited. Along with other Americans, we could train young Americans from low income rural areas as technical assistance ambassadors and offer them tours of service abroad. Without great additional costs, training programs could be developed for this purpose. For instance, why couldn't the Office of Economic Opportunity's Job Corps conservation centers play a large role in such a program? Why couldn't high schools and State land grant colleges themselves team up for such preparatory and training programs? Substantial funds for such programs could come from or be built into AID and Peace Corps appropriations. It would be challenging and rewarding to experiment in the use of this kind of manpower for technical assistance purposes, particularly in view of the recurring criticism of AID that so much of our foreign technical assistance is "overprofessional" and remains remote from direct contact with the people who need it the most.

6. *The migrant and Indian divisions of the Office of Economic Opportunity should be commended for their aggressive leadership in support of programs for the rural poor.*

With very limited resources available to them, both of these programs have taken big steps in helping the rural poor. Where other Federal programs had become rigid and unresponsive to the needs of the Indian and migrant, the OEO programs have brought new hope to substantial parts of the Indian and rural migrant populations despite substantial opposition from institutional forces opposing change. Particularly to be commended is OEO's strategy of working directly with local Indian leadership and leaders in the migrant camps. Substantially more money should be made available to OEO for continuing and enlarging these programs.

STATEMENT SUBMITTED BY MILLARD CASS, DEPUTY UNDER SECRETARY OF LABOR

INTRODUCTION

It is a pleasure to appear before this Commission on behalf of the U.S. Department of Labor. Secretary Wirtz regrets his inability to testify today, especially because of his great interest in, and effective activity directed to, eliminating poverty and bringing real equality to all Americans. Secretary Wirtz has emphasized that what we need is not merely "a war *against* the extremes of unemployment, ignorance, poverty" but "a full-scale human resources development program."

Our approach to the problem of poverty starts with the fundamental tenet that in a democracy, no people can be forgotten. In a Nation established upon the principle that "all men are created equal," there must be equal opportunity for all.

Yet, by virtue of geography or discrimination, hereditary disadvantage or injury, some of our people do not share fully in the American dream.

They live in Appalachia and the ghettos of large cities from New York to Los Angeles. They are in towns of Kentucky, West Virginia, and Pennsylvania whose coal mines are abandoned, and in the iron range of Michigan and Minnesota. They are Indians on reservations, tenant farmers in Mississippi, sharecroppers in Arkansas, and Mexican Americans in Texas and New Mexico. They live in small, rural communities without resources or tax revenues. They are in the overcrowded inner cities of our great metropolitan areas, where people and rats compete for the crowded space and the inadequate supply of food.

A Nation, whose gross national product is almost three-quarters of a trillion dollars and whose average family income is over $7,000 a year, can open the doors of opportunity to all its people. There is no part of this great land too remote and no group too disadvantaged to be within reach of the helping hand of public and private effort.

The plight of the rural resident is not greatly different from that of his city cousin. Moreover, the problem of rural poverty has, in recent decades, become also an urban problem, for the disadvantaged of the countryside move to the glitter of the city. Only after they get there do they find the streets are paved not with gold, but with asphalt, and that city slums are no better than country shacks.

We cannot continue to have the poor of our rural areas swarm into the cities where they continue to be poor and also face other acute problems.

As Secretary of Agriculture Orville Freeman has recently said:

> An unplanned policy of exporting rural problems to the city has drawn urban America into the rural crisis. For the affluent of the city, the unchecked migration means more crowding, higher taxes, more hours consumed in commuting as urban sprawl continues unabated. For migrants already in the teeming ghettos, further immigration means less opportunity and rising despair.

PURPOSE OF THIS PRESENTATION

The purpose of this presentation is to express the Department of Labor's point of view on Government programs to combat rural poverty.

The proposals that will be made are not necessarily new ones. Most have already been considered by the Commission in one form or another. But all are more timely than ever before, in the light of the economic conditions in rural areas, the narrowing of the social and economic gap between rural and urban people, and the emergence of a whole new set of Government concepts and approaches to poverty, insecurity, and manpower.

THREE KEY ASPECTS OF RURAL POVERTY

This presentation will not include a statistical description of the characteristics, status, and trends of rural people. We will be glad to furnish detailed analyses on these subjects, if required. We would, however, like to draw attention to three major aspects of rural poverty and rural manpower which furnish important clues to the directions that Government programs must take in this area:

Tailoring Programs for Disadvantaged Groups

First is the fact that rural poverty is not a general condition but is concentrated most heavily in certain areas in the country and among certain categories of people. This points to the need to tailor action programs to the particular needs and characteristics of the rural poor, rather than scattering program resources through the rural economy as a whole.

What are the major components of the 15 million rural poor who should be the primary targets of Government programs? One approach to this question has been to identify particular geographic regions requiring special action. Thus, attention must be focused on the southeastern part of the country, which has an overwhelming majority of the 250 counties with the lowest rural family incomes. As the Commission is aware, factors contributing to the concentration of poverty in this region include dependence on the operation of marginal farms or on diminishing opportunities in hired farmwork; the lack of alternative nonagricultural employment; and relatively low levels of educational attainment and occupational skill among the unemployed and underemployed. Compounding the problem in the South, of course, is the large number of Negroes living in low income rural areas. In spite of the heavy out-migration to the cities—both North and South—there are still almost 5 million rural Negroes in the Southern States, and they have one of the highest poverty ratios in the nation.

Attention has also been focused on other geographic regions with concentrations of rural poverty. Most prominently mentioned is the Appalachian region, encompassing portions of 12 States. More than half of the population of this region is rural, although only 10 percent of the people live on farms. Other regions with especially serious problems are the Ozark region of Missouri, Arkansas, and Oklahoma; the Upper Great Lakes region around Minnesota, Wisconsin, and Michigan; portions of rural New England; and an area composed of portions of New Mexico, Arizona, Utah, and Colorado. Generally, these regions are characterized by decreasing agricultural manpower requirements; a downtrend in industries, such as timber, mining, and textiles, which were an important source of employment; failure to develop alternative job opportunities in adequate numbers; isolation from major urban employment centers; and heavy out-migration of local people.

Some rural poverty groups with especially severe problems can be identified and assisted by specially tailored programs even though they are not concentrated in particular geographic areas. One such group consists of workers dependent on hired farm employment, characterized by substantial unemployment and relatively low earnings. The households of hired farmworkers, especially nonwhites, are among the poorest of all groups. In 1964, 56 percent of such households had total family incomes from all sources of less than $3,000.

Even within the farmworker category, however, distinctions must be made to insure that action programs are adapted to the specific needs of problem groups. Most hired farmworkers do not rely on farm jobs for their total livelihood; the proportion of workers who do has been decreasing. Many workers supplement their farm jobs with nonfarm activities. Other seasonal farmworkers are not rural residents at all, but live in the city and are best served by manpower and antipoverty programs geared to urban conditions. Well over half of all seasonal hired farmworkers are housewives or youths who are out of the labor force for most of the year.

In contrast, there are more than 300,000 full-time farm wage workers, plus an equal number who put in between 150 and 250 days a year on the job. These are the professionals of the hired farmwork force and they account for most of the man-days of farm wage work. Because they constitute a relatively skilled and stable component of the work force, and because they tend to be employed on large, efficient farms, the measures needed to eliminate poverty among regular farmhands are by no means identical with those most likely to help the seasonal worker group.

Another special problem group requiring specially tailored assistance is composed of the more than 400,000 migratory laborers who leave their homes each year to piece together temporary farm jobs. In the course of this migration, they are exposed to the severe social and economic problems associated with a nomadic status, while they are ineligible for the assistance and services normally available to permanent residents. Low educational attainment, lack of occupational skills, health problems, inability to adapt to the demands of urban or industrial environments, cultural and language barriers—all contribute to migratory status. The drive toward self-improvement is evidenced by the significant number of migrants who settle down each year, but the group is replenished by people from Puerto Rico and Mexico, displaced Southern farmworkers and tenant farmers, and other sources.

In pinpointing services to groups with the most severe economic problems, special attention must be paid to racial and ethnic minorities in rural areas. From the point of view of program development, this means special action to overcome language and cultural barriers, to provide representation on planning and advisory bodies, to break up patterns of discrimination in employment and education, and to develop services that fit the special characteristics of each group.

Southern rural Negroes are especially disadvantaged. In considering programs of assistance, it should be noted that although many workers in this group are displaced farm operators or hired farmworkers, most engage in nonfarmwork and do not live on farms. Solutions custom-built for this group must come primarily from employment in the nonagricultural sector—in their rural home areas, in nearby areas within commuting distance, or away from home.

Another minority group requiring special attention is the Spanish Americans, concentrated in five Southwestern States. Many have substandard incomes, low educational attainment, and cultural and language impediments to employment. Although rural Spanish-American people have joined the move to the big city, they still remain an important segment of the migratory farm labor streams. Puerto Ricans and American Indians are other important rural minorities with special problems and characteristics.

Out-Migration of the Rural Population

A second aspect of rural poverty and manpower that furnishes a key in the development of ameliorative programs is the fact that rural people, themselves, have reacted to restricted economic opportunities by a dramatic, massive migration to urban areas. In spite of relatively high birth rates in rural areas, the size of the rural population has shown little change since 1920 while the urban population has tripled. Between 1950 and 1960 alone, some 4.6 million persons are estimated to have migrated from rural counties.

Here, too, we must take note of important distinctions between different groups. The greatest change occurred in the farm population, which dropped from 31 million to 12.4 million between 1920 and 1965, while the rural nonfarm population doubled to 40 million. The problems of migration apparently fell most heavily on people with farm backgrounds—the ones most likely to lack the skills needed in industry and the ones most likely to encounter difficulty in adjusting to urban life.

Another distinction relevant for action programs can be observed in the age of the rural out-migrants. The great majority have been 18 to 19 years old. Among people left at home, the very young and the old represent a disproportionately high percentage of the population.

Again, minority groups stand out as an especially difficult problem, with a high volume of migration from rural areas. As late as 1940, nonwhites were predominantly rural. Today, only one-fourth of the nonwhite group lives in rural areas; the mounting tensions of our city slums reveal the effects of this large-scale, unguided movement.

The flow of people from the countryside is a response to urgent economic and social forces. This movement is in keeping with our tradition of freedom of movement for our people—a tradition underlying the admission of millions of immigrants, the westward flow of population to the frontier, and the flexible mobility which met the unprecedented manpower demands of World Wars I and II. Rural out-migration has retarded the spread of rural poverty while contributing to the human resources needed for the great expansion of our nonagricultural industry. Our programs cannot stop the out-movement of people. They may, however, rationalize the migration—hold it to minimum levels, ease the hardships of the migrants, and reduce the contribution to slum tensions and welfare burdens. At the same time, every effort should be made to stimulate rural economies capable of providing a decent and productive livelihood.

Growing Similarity Between Rural and Urban Workers

A third trend that provides a key for approaches to combat rural poverty is the growing similarity between rural and urban workers. Differences in the conditions of employment, characteristics of employers, occupational skills, and vocational aspirations are narrowing. This tendency is a positive factor which makes it increasingly feasible to provide for rural people the kinds of labor standards and economic security that others enjoy.

Currently, little more than one-fifth of the rural population lives on farms. Fewer than 3 out of 10 rural workers engage in farmwork. Most are blue collar workers; a substantial number are in white collar and service occupations, with an occupational and industrial mix similar to urban areas.

Even the rural people who work on farms are drawing closer to their urban counterparts. Four out of ten farm operators have off-farm jobs. On a majority of smaller farms, most of the family income is derived from off-farm sources. A high proportion of farm wage workers engage in nonfarmwork during the year. A substantial proportion of farmworkers live in cities; conversely, a substantial proportion of farm residents commute to city jobs.

Moreover, farm employers are becoming more like city employers. The bulk of the employment is on large-scale farms which are dependent on hired labor and which must maintain records and follow systematic personnel and payment practices. On such farms, hired workers are likely to require a substantial amount of skill and basic education to operate complicated machinery, to follow written instructions, and to utilize the latest techniques.

Still another difference between the agricultural and the nonagricultural sector is being eliminated with the virtual disappearance of the use of foreign farmworkers for seasonal jobs on American farms. The Department of Labor is particularly proud of its role in this area. From more than 450,000 foreign workers admitted in 1959 and 200,000 in 1964, the total dropped to 36,000 in 1965 and 23,500 in 1966. Last year there were 8,600 Mexicans, 11,200 British West Indians and Bahamians, and 3,700 Canadians admitted for temporary farmwork. These workers were employed under carefully controlled conditions in a few crops (primarily sugarcane, cannery tomatoes, apples, and potatoes).

Elimination of differences between farm and nonfarm employment opens new opportunities for the adaptation of Government programs to rural conditions. The feasibility of extending social insurance, minimum wage, collective bargaining, and related protections, for example, is greatly enhanced. Our recommendations take this trend into account.

RECOMMENDATIONS

The recommendations that follow are intended to build on the impressive foundation which has already been laid by existing programs. The variety and creativity of these programs are notable—even though they have been established for only a very few years. They represent a range of diverse approaches marked by flexibility and experimentation.

Job Opportunities in Rural Areas

First priority should be given to strengthening programs for creating regular job opportunities in industry and government in local areas. Such programs must provide new sources of earnings and reduce pressures for out-migration.

Government efforts in this area already include the Area Redevelopment Act; its successor, the Public Works and Economic Development Act; and the Appalachian Redevelopment Act. We also have the rural area development program of the Department of Agriculture and, still more recently, community action programs in rural areas under the Economic Opportunity Act. The Department of Labor's United States Employment Service and its affiliated State agencies have cooperated in all of these ventures. In addition, the Employment Service has installed a smaller communities program to extend intensive manpower services to rural areas.

The concept of economic development districts and the regional approach of the Public Works and Economic Development Act deserve to be watched with special care as innovations in the job creation field.

Subsidized Job Opportunities in Public Works and Services

In addition to job creation in the regular economy of rural areas, there is a need to implement the recently enacted programs of federally subsidized jobs in public works and services. These programs include the so-called Nelson amendment of 1965 and the Nelson-Scheuer amendment of 1966 of Title II of the Economic Opportunity Act, the work experience projects for persons eligible for public assistance authorized by Title V of the Economic Opportunity Act, and Neighborhood Youth Corps projects for out-of-school youths authorized by Title I-B of the Economic Opportunity Act. These programs provide Federal funds to enable local government and community organizations to employ persons on rural conservation and beautification projects, in the provision of essential health, education, recreation, and welfare services, and in related fields. This paid work experience may be supplemented with occupational training, remedial education, and other supportive services.

Work experience programs of this type can serve several important functions in relieving rural poverty. They can provide income opportunities for seasonal workers during slack periods of the year, thus helping to bring the annual earnings of workers up to adequate levels. They can provide on-the-job training to those unable to absorb formal occupational training needed to prepare them for available jobs. They can provide work opportunities for rural people who are not in a good position to move to labor demand areas. Work experience programs in cities will also assist unskilled migrants from rural to urban areas. At the same time, the work experience programs can serve as a vehicle for making available a variety of services and improvements which are needed to enhance rural areas.

The work experience programs under Title II of the Economic Opportunity Act are being delegated to the Department of Labor by OEO. We are gearing up to administer them through the new Bureau of Work Programs. Every effort will be made to extend program activities to rural poverty areas, within the limited funds available, as a small but significant step toward the objective of making available jobs for all those willing and able to work in our society.

Economic Security and Labor Standards for Agricultural Workers

Taking advantage of the growing similarity between rural and urban employment patterns and the current prosperity of American agriculture, the time is right for a long-delayed extension of economic security and labor standards legislation for agricultural workers. There has been recent progress in this field—notably the inclusion of almost 400,000 farmworkers under the minimum wage provisions of the Fair Labor Standards Act in 1966. The 1966 amendments covered workers whose employers used more than 500 man-days of agricultural labor during any quarter of the preceding year. It established a minimum wage of $1 effective February 1967, rising to $1.15 in 1968 and $1.30 in 1969.

Recommendations in the labor standards and economic security fields include:

(1) Consideration to further extending minimum wage protection of farmworkers.

(2) Strengthening of the child labor provisions of the Fair Labor Standards Act as they apply to agriculture.

(3) Inclusion of farmworkers on large commercial farms in unemployment insurance programs. Currently, coverage is available only in a few jurisdictions, and with severe restrictions. Unemployment insurance has been extended to farmworkers by Canada, effective April 1 of this year.

(4) Encouragement of State extension of workmen's compensation to farmworkers. Currently, less than half of the States have such coverage.

(5) Review of experience in covering farmworkers under Old Age Survivors and Disability Insurance. Representatives of the Department of Health, Education, and Welfare can, of course, discuss this.

(6) Consideration of ways in which national programs to stabilize the prices and production of agricultural commodities can be used to improve the wages, working conditions, economic security, and labor standards on subsidized farms. Meeting minimum conditions might be made a prerequisite for the payment of program benefits to farm operators. Extension of this approach to agricultural stabilization activities has ample precedent. Labor standards requirements have long been a part of Government contract and related programs, and wage determinations have long been a part of the Government's sugar stabilization program.

(7) Adaptation of public assistance programs to the special needs of farmworkers. This includes a review of procedures to insure that relief recipients are not deterred from accepting seasonal farm jobs by the difficulty of qualifying for assistance at the end of the season; that supportive services, such as training, health, and counseling activities, continue during periods of short-term employment; and that residence requirements which curtail assistance for migratory farmworkers are removed.

Education and Vocational Training

Education and vocational training have the strongest long-range potential for alleviation of rural poverty and for erasing the adverse earnings and skill differentials between rural and urban workers. It is strongly recommended that your Commission urge State and local education agencies to strengthen local school programs and to gear them realistically to the kinds of vocational opportunities that will be available to rural youth. The overemphasis on agricultural training in some areas must give way to a stress on skilled blue collar and technical occupations in which most rural youths will find the best livelihood. At the same time, vocational training facilities for adults must be expanded as a means of retraining the unemployed for jobs in growing industries and occupations.

In the last few years, considerable progress has been made in supplementing the inadequate educational resources of low income rural areas. The Elementary and Secondary Education Act will help upgrade educational attainment. The Vocational Education Act of 1963 is making it possible to gear rural vocational training to current manpower requirements. This act has also provided resources for area vocational schools, in which the latest equipment and competent instructors can be assembled centrally to serve outlying rural areas.

Under the Vocational Education Act, training costs are met on a 50–50 Federal-State matching basis. The Commission may wish to discuss with representatives of the Department of Health, Education, and Welfare the advisability of modifying the act to raise the Federal contribution in low income rural areas to 90 percent of the total (the current Federal share under the Manpower Development and Training Act).

The Neighborhood Youth Corps, authorized under Title I of the Economic Opportunity Act and operated by the Department of Labor, has provided part-time employment opportunities to help hundreds of thousands of school youths complete their education.

The Manpower Development and Training Act has made a start on providing occupational training to put unemployed and underemployed rural people into productive jobs. The act is administered by the Secretary of Labor and the Secretary of HEW, both of whom have assigned major responsibilities to their affiliated State employment service and vocational education agencies, respectively. Under the MDTA, unemployed and underemployed people are eligible for occupational training, and weekly allowances. The training may be of the institutional or on-the-job type, and may be supplemented by a variety of supportive services.

In calendar 1966, about 45,000 MDTA enrollees lived in rural areas—approximately one-fifth of the total. Only 1,300 of this group were being trained for agricultural occupations, reflecting a realistic adjustment to the demands of the job market. The training occupations represented a variety of blue and white collar jobs.

Among farmworkers enrolled in the MDTA program, one finds a higher proportion being trained in agriculture. Even in this group, however, only one-fourth of the trainees were in agricultural courses, while the remainder were assigned primarily to training in skilled or semiskilled blue collar jobs.

Farm occupations for which training has been authorized reflect basic job market conditions. Most of the 30,000 workers authorized to receive training in farm occupations between 1962 and 1966 were prepared for skilled farm jobs such as machine operators, dairy hands, and managers. About one-fourth of the total were low income farm operators training to improve the productivity of their own farms. About one-seventh of the total were taught agricultural work for a nonfarm setting; e.g., nurseryman and gardener—jobs for which there is an increasing demand.

Because of the special characteristics of the rural poor, MDTA training for farm people has often been supplemented by a variety of supportive services and remedial education. Attention has been given to cultural and language barriers, the low educational attainment of many rural people, and the need to adapt services to migratory workers and other problem groups. One of the 1966 amendments to the MDTA will be especially helpful—it authorizes special preoccupational programs to improve the employability and trainability of disadvantaged workers.

We are constantly searching for ways to improve MDTA services for the rural poor. Of special importance is the extensive program of experimental and demonstration projects undertaken in this area by the Manpower Administration of the Department of Labor. These projects are developing and testing new ways of solving especially difficult employment and training problems. They have mobilized the resources of a dozen colleges in rural areas and of a variety of community organizations to help in reaching, counseling, and serving the rural poor.

Rationalization of the Rural-Urban Migration

Recognizing that the rural-urban migration is expected to continue, urgent consideration should be given to ways of rationalizing the movement. In the past, decisions to relocate have usually been made by each individual involved, without guidance, based on the rumors and scraps of information available to him. The movers have received a minimum of Government assistance and services. Under current conditions, it is less and less advisable to leave the migration to chance and guesswork. As job opportunities for laborers and other unskilled workers decrease in the cities, the migrants are encountering greater difficulty in finding steady jobs. Some are contributing to the welfare burdens of cities and are fueling tensions in the big city slums. It appears essential to take steps to bring order to the mass movement of poor rural people, to ease the adjustments of individuals, and to cushion the impact on the cities toward which they return.

The Manpower Development and Training Act makes provision for a small-scale pilot labor-mobility demonstration program. Under this program, people who must move to another area in order to find a job receive financial assistance with relocation costs, help in locating employment, and supportive services. The initial experience gained under this program, administered by our Manpower Administration, has thrown light on some of the problems involved and has suggested some interesting new approaches. We recommend that this provision of the MDTA (sec. 104) be extended and that additional resources be provided for it.

But a pilot program reaching 1,000 or 2,000 people is no substitute for one capable of handling the many thousands of persons with especially severe adjustment problems among the millions who are expected to move to the city in coming years. A much larger effort will undoubtedly be needed, including establishment of facilities in the areas of heaviest outmigration to evaluate the skills, aptitudes, and interests of potential outmigrants who seek assistance; to arrange vocational training, basic education, and other services needed to prepare for steady employment at the destination; to make advance arrangements for jobs and housing; to provide intensive counseling; and to provide financial assistance for relocation expenses. In urban centers, this large-scale program would provide assistance in settling down; counseling services; orientation to city life and job market practices; referral to necessary community services; and assistance in getting and keeping a job. This could involve extensive use of VISTA volunteers and extension service workers, as well as experimentation with group migration, various types of loans and grants, and possibly temporary reception facilities to ease the transition to city life.

Restructuring the Job Market for Seasonal Hired Farmworkers

There is an urgent need to develop new institutions and practices to rationalize the job market for seasonal hired farmworkers. A restructuring of the job market may be able to reduce unemployment and to benefit farm employers by building a skilled, reliable, and productive work force.

The Department of Labor has provided leadership for the introduction of some new institutions in this area. The Annual Worker Plan helps to schedule migratory farm labor crews to a series of consecutive farm jobs in a manner calculated to reduce intervening periods of unemployment and to adjust to crop, weather, or other conditions affecting labor supply and demand. About 145,000 migrant workers received such assistance in 1966. Day-haul programs operated by the Department and its affiliated State employment service agencies have brought some order to the employment of seasonal workers who commute from their homes to farms each day. We have experimented with procedures for recruiting youth during school vacations, and other approaches. Much remains to be done, however.

We are unable to recommend the complete outlines of a program to rationalize the seasonal farm labor market, but we do feel strongly that this Commission should look at the possibilities in this area. Among approaches that have been mentioned are (a) incentives for farm employers to work together in providing year-round employment by the systematic transfer of employees among seasonal farm jobs; (b) increased Government assistance in recruiting and scheduling temporary farmworkers; (c) helping rural communities to develop nonfarmwork opportunities timed to fill the gaps between peak agricultural seasons; (d) arrangements to combine temporary farmwork and nonfarmwork into a year-round livelihood.

Research

Finally, the Department of Labor would welcome the Commission's recommendations for research into rural manpower and poverty problems. In the Manpower Administration's research program, conducted under the MDTA, a number of potentially fruitful research projects have already been undertaken in this field. For example, studies have been made of the adjustment processes of low income Southern in-migrants in a Northern urban center; the causes of low labor force participation rates in depressed areas; the transition of Mexican-American migratory farmworkers to a sedentary life. It is intended to utilize the findings to improve our approaches to rural poverty, tailored to the needs of particular problem groups.

CONCLUSION

The poor, the underemployed, and the unemployed are not statistics. They are people—with the same needs and hopes as their affluent fellow Americans. While they are counted and analyzed by the millions, they must be counseled and placed separately and as individuals. While they can be trained in classes, they must learn singly and personally.

These facts constitute our greatest challenge. What will motivate, train, and prepare one person for employment may be ineffective and useless for another. Our programs must, therefore, be personalized, flexible, and varied. They must provide personal attention to the special problems of each individual rather than seeking blanket solutions to the problem of poverty as a whole.

It has been written that "when all is said and done, more is said than done." Therefore, in closing, it is appropriate to come back to specific and practical observations Secretary of Labor Wirtz made to the Congress last year:

> The most direct answer to poverty is *jobs*. . . . The job creation and job training programs must be organized with full recognition that *most* of the ultimate answer to unemployment among the poor has to be jobs in *private* employment. . . . These job creation and job training programs must be *concentrated* in the areas where poverty is concentrated and must be devised to meet the clearly identified needs of the people in these areas. . . . Their problems—of becoming useful and self-sustaining—have to be approached almost on an individual basis.

STATEMENT SUBMITTED BY WILBUR J. COHEN, UNDER SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Mr. Chairman and members of the National Advisory Commission on Rural Poverty, I am pleased to appear before you today on behalf of the Department of Health, Education and Welfare. Our Department is concerned with the quality of life and the social circumstances of all Americans—those in rural and urban areas. We seek, for example, high quality education for all young people. We are concerned with the adequacy of health services and facilities throughout the nation. Our Department is striving for adequate programs of social services and public assistance in every State. And, in terms of the Social Security System, we are recommending increased payments for all of those participating in the program. Indeed, we look forward to early action on the President's proposed Social Security Amendments by the Congress.

In attempting to realize these basic goals, we have developed a number of programs which have become an integral part of the social development of the nation. Much has been done, in cooperation with the States and communities, toward the achievement of our common goal, the improvement of life for our people. We all know, however, much remains to be done. Our Department welcomes, therefore, the creation of this Commission and we look to you for guidance and wisdom from which we can develop new strategies in the attack on an ancient enemy, rural poverty.

Rapid economic growth combined with increasing expenditures for health, education, welfare, and related areas have had a significant impact on poverty. Over the past several years, as the gross national product grew rapidly, unemployment rates declined and public expenditures for health, education, welfare, and related activities increased, the incidence of poverty declined. In 1959 some 38.9 million individuals, or 22.1 percent of the total population, lived in households falling below the poverty levels of income developed by the Social Security Administration (SSA); by 1965 the number had declined to 32.7 million individuals, or 17.1 percent of the population. The sharpest declines have been among families with a male non-aged head of household, and the declines have been greater for whites than nonwhites. Increasingly, the poverty roster is becoming the hard-core groups: aged persons, families headed by a woman, and the disabled. Thus, we cannot rely on economic growth alone to pull households out of poverty as heavily in the future as in the past. This is a major reason why we must continue to improve our social security and other income maintenance programs, particularly for those not in the labor force.

Rural areas have a disproportionately higher share of total number of poor people. Analysis of 1964 statistics indicates that out of 34.3 million persons caught in the grip of poverty, some 14.9 million, some 43 percent, resided in rural areas. For 1965, data on rural-urban residence are so far available only for households rather than persons. Preliminary figures indicate that of the 11.5 million households with 1965 income below the poverty line, about 1 million lived on farms and some 3 million in other places that might be designated rural. Thus, 35 percent of all the households counted were rural households. Because rural households tend to be larger than urban, undoubtedly the proportion of the 32.7 million persons in poverty who live in rural areas is greater than 35 percent.

The threat of poverty is correspondingly greater to households with female, nonwhite, or disabled head in rural and in urban areas. (Poverty among older farm residents, though not urban residents, remains about the same as for younger farm residents.) In 1964, 24 percent of farm families with an aged head and 22 percent of the nonfarm received income less than the minimum Social Security Administration measure of poverty.

Among aged farm families, about 3 in 5 receiving OASDI (Old Age Survivors and Disability Insurance) were poor, compared with only 1 in 5 of those collecting benefits. But the data for the farm beneficiary families confirm what already has been determined for all beneficiary families: Those who have little or no resources in addition to their benefits will run a high risk of poverty.

Among the aged poor on farms, social security benefits accounted for nearly two-thirds of aggregate cash income in 1964 and public assistance (or unemployed insurance) about half of the remainder. Among the aged farm families not in poverty, OASDI benefits accounted for only 30 percent of aggregate cash income for the year, net income from farm self-employment for about a fifth, and public assistance and unemployment insurance combined for only a small fraction.

Among aged families not in farms, families receiving OASDI were not so much kept out of poverty compared with nonbeneficiaries, but the gap between what they had and their requirements was less than if they had no benefits.

Regardless of residence or occupation, the incidence of poverty among nonwhite families was greater for each group. In 1965, almost three-fourths of the nonwhite families living on a farm were poor compared with 17 percent of the white farm families.

Farmworkers as an occupational group fare less well than farm operators. The families of over two-fifths of all farm laborers as compared to less than a fourth of the families of farm operators currently employed in March 1966 received incomes in 1965 below the SSA line. Both farm laborers and farmers had higher rates of poverty than other currently employed male family heads. The incidence of poverty among farm laborers' and farmers' families was 42 percent and 23 percent, respectively, compared to 7 percent for families with a male head in other occupations.

The Department of Health, Education and Welfare administers a number of programs which relate rather specifically to the problem of rural poverty. Among these programs are:

The migrant health program is a program directly related to rural poverty through its grant-in-aid assistance to local sponsors of migrant health projects. The kinds of health services and facilities which can be assisted under this program range from the establishment and operation of facilities to improve the health of migratory farmworkers to assistance for projects to eliminate environmental hazards to migratory farmworkers. Funding of this program has increased from $3 million in fiscal year 1966 to $8 million in fiscal year 1967 and is budgeted at $9 million in fiscal year 1968.

Title I of the Elementary and Secondary Education Act has an identified category of funds for special migrant and Indian education programs. Under this provision some $9 million are available to the States during the current fiscal year for migrant education projects and $5 million for Indian education projects. The budget for the migrant program increases to approximately $28 million in fiscal year 1968, while Indian education is budgeted at $5 million. We hope to support a variety of innovative projects under this program and we have already witnessed substantial interest in it by States having large migratory farmworker population.

The Allied Health Professions Act contains special provisions for loan forgiveness for doctors, dentists, and optometrists practicing in poor rural areas. We expect that this new program will result in an expansion of medical services in rural areas needing them the most.

Under the Indian health program the Public Health Service provides direct health services to Indians residing in some of the poorest circumstances in the nation. This program serves approximately 380,000 Indians and is budgeted at over $104 million for fiscal year 1968.

The public assistance program does not relate exclusively to rural areas but it bears mention here. Public assistance payments, under State-developed programs, must be made available in all political subdivisions in the State to those who are eligible, by State determination, for assistance.

People in rural areas, therefore, benefit from basic categories of assistance, including old age assistance, assistance to families with dependent children, aid to the blind, aid to the permanently and totally disabled, medical assistance to the aged, and medical assistance.

The OASDI also is not designed specifically as an antipoverty weapon, but only productive work is a more important bulwark against poverty. About 37 percent of the aged beneficiaries would be poverty stricken if they did not receive benefits. Many beneficiaries in rural areas are among those affected. Data indicate that as of December 31, 1964, 29 percent of the total number of benefit payments was being made to persons residing in "rural" counties.[1] Furthermore, among the aged poor on farms, social security benefits accounted for nearly two-thirds of the aggregate cash income in 1964.

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[1] Counties, parishes, or independent cities with 50 percent or more of population residing in nonurban areas.

The Title III program of the Higher Education Act, strengthening developing institutions, generally supports improvement of smaller colleges in rural areas. In fiscal year 1966, for example, 127 rural institutions of higher learning received almost $3 million in assistance under this program or about 70 percent of all the funds available to Title III.

In addition to the programs relating directly to the problems of rural poverty, our Department administers another group of programs which have been effective in rural areas. These include:

Title V of the Economic Opportunity Act, which we administer, provides work experience and training to low income persons. Recent figures show that 40 percent of the training openings are located in rural areas. Title V expenditures in the 182 poorest counties, largely rural, are greater than any other Office of Economic Opportunity program.

The library services and construction program, until 1964, was restricted to public library services in rural areas or communities of less than 10,000 population. The program was expanded to an urban-rural services and construction program under which State library plans govern the distribution of assistance. Under the State plan concept, some outstanding efforts in rural areas have been initiated such as the New York State Chautauqua-Cattaraugus Library System which provides for bookmobile services to 35 to 40 communities too small to support a public library or which have a population which seasonally varies.

The Hill-Burton hospital and medical facility construction program has generally had a favorable rural balance of distribution of Federal matching funds. Seventy-six percent of the program's over 3,000 hospital projects have been developed in communities of less than 50,000 population. Construction costs for hospitals in these communities represented 64 percent of a total Federal expenditure in excess of $1 billion. Another 70 percent of the more than 600 long-term care projects have been in communities of less than 50,000 and represent more than 30,000 beds in these facilities. This represents more than 60 percent of the Federal expenditure of the excess of $150 million.

Several other HEW programs operate favorably in rural areas. These include community mental health centers construction, and mental retardation facilities contruction. Another set of programs are weighted toward areas of financial need which would generally tend to assist poorer rural areas. These include: general health grants and heart disease control grants.

Vocational rehabilitation services are provided through the 91 State rehabilitation agencies in each of the States and territories. This program has been expanded sharply since 1966 both in number of staff and offices which will facilitate vocational rehabilitation services throughout the nation.

The Vocational Rehabilitation Administration program effectively serves the rural disabled. For the fiscal year ending June 1959, which was the last year data were secured on rehabilitants by place of residence, 10,900 out of the 80,700 rehabilitants, or 14 percent, resided on farms. In addition there were 15,156 rehabilitants, or 18 percent, who resided in rural nonfarm areas, or a total of 32 percent who were rural residents.

The Vocational Rehabilitation Administration has, through the means of its research and demonstration, innovation and expansion, and workshop improvement grants program supported a number of projects seeking new ways of providing services more effectively in rural areas. Some of these sought to determine the feasibility of serving migrants, others were directed to Mexican Americans and Indians living in rural areas. In several States demonstrations were supported to determine how rehabilitation centers and workshops could provide services to the surrounding rural populations.

Traditionally, particularly because of the emphasis on agriculture in the early acts, a large portion of the vocational education programs were developed in the rural areas. The majority of schools having vocational agriculture programs also had home economics programs, with the trade and industrial programs largely located in urban centers.

Funding of construction of area vocational schools under the Vocational Education Act of 1963 has made possible many such schools which serve rural areas with broad vocational offerings. The new act emphasis to serve persons with academic, socioeconomic, and other handicaps has resulted in the identification of poverty in rural areas and the development of additional programs to meet the needs. With over 40 percent of the poverty found in rural areas, training for employment through these vocational education programs has an impact on rural poverty.

As previously indicated, the Welfare Administration public assistance program has a direct relationship to rural poverty. In addition, Title V of the Social Security Act authorizes grants to State health agencies for maternal and child health services and for services for crippled children, and grants to State public welfare agencies for child welfare services.

The maternal and child health services program and that of services for crippled children, conducted by the Welfare Administration, have had a rural emphasis, with the authorizing legislation specifying "especially in rural areas and in areas suffering from severe economic distress." Thus Federal funds for these programs in the past have been largely directed toward providing services in rural areas.

States use their maternal and child health services funds, together with State and local funds, to pay the cost of conducting prenatal clinics where mothers are examined by physicians and get medical advice; for visits by public health nurses to homes before and after babies are born to help mothers care for their babies; for well child clinics for examination and immunizations, where they can get competent advice on how to prevent illnesses and where their many questions about the care of babies can be answered. Such measures have been instrumental in the reduction of maternal and infant mortality, especially in rural areas. Funds are used to make available doctors, dentists, and nurses to the schools for health examinations of schoolchildren. They are also used for immunizations.

From the first, the public child welfare program was concerned with the welfare of rural children. Early studies of infant and maternal mortality, child dependency, and mental retardation pointed to the unevenness and, in some States, the total lack of facilities and social services for rural children.

Child welfare grants-in-aid were established, therefore, to assist State public welfare agencies to develop public child welfare services in areas predominantly rural.

The 1962 amendments to the Social Security Act require the extension of child welfare services to all parts of the State by July 1, 1975, and the provision of these services to the extent feasible by fully trained child welfare personnel.

From 1958 through 1965 the number of rural counties in the United States having the services of a full-time public child welfare worker increased from 1,160, or only about 47 percent of all rural counties, to 1,409, or 60 percent of all rural counties. During the same period the proportion of all urban counties having the services of a full-time child welfare worker rose more slowly, from about 70 percent to just over 80 percent of all urban counties.

The 1,092 counties without full-time child welfare services in 1965 were mostly rural counties, 924 compared with 168 urban counties. Many of these 924 rural counties did have public welfare workers who spent part of their time providing child welfare services, a type of program organization more common in less populous than in urban areas.

There are five aspects of day care services which have made considerable impact on rural areas since passage of the 1962 amendments. These are licensing and consultation of day care centers and family day care homes, community organization and planning to develop day care services, the establishment and operation by the rural public welfare department of small day care centers in rural areas, the development of family day care homes by county public welfare offices and training of day care personnel to develop and operate rural day care services.

State public welfare agencies have been expanding homemaker services and are beginning to extend this service geographically to rural areas in the States. While reports do not identify the number of homemakers available in rural communities throughout the nation, reports show a number of States have extended programs reaching the poverty groups in rural areas.

Finally, I would like to put before the Commission those HEW programs which although not aimed at rural areas may benefit them and, hence, assist in the alleviation of rural poverty. This would constitute the bulk of the HEW programs. I cannot, of course, discuss every program of the Department, and will only attempt to emphasize the major areas of activity with some potential in terms of rural poverty.

Virtually all program elements of the Office of Education have some relationship to rural poverty whether in the matter of higher education facilities and student loans and other assistance to needy youngsters or in the generalized effort under the Elementary and Secondary Education Act to improve education for disadvantaged children. In Title I of the Elementary and Secondary Education Act, for example, over $46 million in Federal funds have been obligated for 181 poor counties[2] as of February of this year. Projects under this program tend to stress the improvement of language arts skills and the development of reading. The Title III program of the ESEA, assistance for supplementary education centers, provided some $16 million, or over 20 percent of its funds to meet the special needs of rural areas. Title V of the same act makes assistance available to State education agencies in order to stimulate and develop State educational plans and programs in terms of the educational needs of the State. This effort attempts, therefore, to increase the capabilities of the State agencies to deal with all the educational problems in their jurisdiction, urban and rural.

Under the National Defense Education Act guidance and counseling institutes for teachers of disadvantaged youth have drawn heavily from rural areas. In addition, other special and regular teacher training programs have been developed in relation to the needs of all teachers but in which rural teachers participate on approximately an equal basis with their colleagues. The experienced teacher fellowship program of the Higher Education Act indicates that of over 50 institutes funded, 11 will have participants from primarily rural areas, while another 3 will be about equally divided between urban and rural representation.

The teacher corps program is providing some 1,200 corpsmen to schools for special work with disadvantaged children. Over 400 of these specially trained corpsmen will be working in rural areas this year. And, we would expect to maintain this ratio.

Finally, the Office of Education is sponsoring quite a variety of research related specifically to the special educational problems of rural areas. We hope, of course, that research will yield greater insights into the problems in this area.

Title V of the Social Security Act Amendments of 1965 authorizes special project grants for comprehensive health care for prospective mothers who may have conditions which increase the hazards to their health or the health of their babies and who will not receive care because they are from low income families.

Of the 51 maternity and infant care projects approved since the initiation of the program in 1964 through 1966, 10 serve the nation's 10 largest cities, and 10 serve predominantly rural areas. The other 31 serve smaller cities or combinations of urban and rural areas.

The 1965 amendments also authorized a new program of comprehensive health services for children and youth in low income families. In the geographic area served by a project all of the problems that are presented by children in the project are to be taken care of by the program, either through direct services or an appropriate referral to other sources which are prepared to provide at least equivalent services. Both medical and dental care must be included for children of school age; also children with emotional as well as physical health problems are to be accepted. The projects therefore will attempt to meet the medical needs of a given child population in a specified area.

In the health field a similar broad array of possibilities exists in the provision of assistance for the construction of facilities, training, provision of health services, and assistance for program efforts. Here are some examples of what has been done with assistance from the Department:

Grants to State agencies to assist in the construction of needed health facilities as indicated by the approved State plan.

Grants for training of professional public health workers.

Project grants for studies, experiments, and demonstrations in new or improved methods of providing community health services.

Grants to State health agencies to help develop and maintain programs to prevent or control certain diseases and to prevent or control environmental health hazards.

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[2] Counties with a per capita income of less than $750 in the Appalachian Region under the Appalachian Regional Development Act.

Under programs to help overcome social and psychological barriers to the use of health resources, our Department has made available short-term training grants to public or nonprofit institutions prepared to provide graduate or specialized training for professional health workers to improve their knowledge and skill and thus improve their competence. Such grants have been used to provide training for professional workers engaged in migrant health projects in other health activities involving services to socioeconomic groups with important differences from the groups usually served, or those represented by health workers themselves.

Through the Joint Committee on Rural Sanitation, the Department has studied sanitation problems and developed standards for distribution and application in rural areas. HEW has provided or arranged in-service training programs on health education and communication to improve effectiveness in reaching and motivating rural people to develop patterns of sound health action.

Finally, we should point to another unit of our Department concerned with a specific segment of the nation's population, the Administration on Aging. This new HEW unit, established by the Older Americans Act in 1965, has a broad charge of developing a wide variety of programs for the elderly through the nation. Title III of the act provides funds to the States for the development of community programs in aging; Title IV funds research and demonstration projects which employ innovative approaches to solving the problems of aging; and Title V contracts for the training of personnel to work in the field of aging. Under each of these programs, projects and activities in rural areas have been developed. In some rural counties, for example, the Older Americans Act program brings needed health services within the reach of financially hard-pressed, isolated older persons by providing an organized transportation service.

The Administration on Aging also administers the foster grandparents program under a contractual agreement with the Office of Economic Opportunity. Out of 37 projects now operating under the program, 15 are rural in character in which organized personal care is provided to handicapped children through the employment of qualified older persons.

Conclusion

Thinly populated areas, especially those of lowest income, do not have the services necessary to effectively combat poverty. It is more difficult and more costly to mount comprehensive and high quality programs in areas of population dispersal. The unit costs for adequate services rendered accelerate. At the same time, typically, the local tax base is weak and the property tax acts as a barrier to local program development. Matching money for State and Federal programs is more difficult to find. And, it is all too true, that poverty in isolation is often poverty unknown, unidentified, and untreated. The President recognizes these facts and he has recommended to this Congress a number of measures which will substantially affect the lives of people oppressed by the heavy hand of poverty.

Three million persons in the farm population were in poverty in 1965 among the 32.7 million estimated to be poor in the total population. As a result of the intensive discussion of the extent of poverty and the inauguration of new programs to combat it, a number of proposals for guaranteeing minimum incomes are now under wide public exploration. They range from a "negative income tax" to a complete restructuring of public assistance to a program of residual public employment and training for all who lack private jobs or who lack the training to be immediately employed. They may involve combinations of such proposals with adaptations for different groups.

The President has stated that we must examine any plan, however unconventional, which could promise a major advance. For this reason he intends to establish a commission of leading Americans to examine the many proposals which have been put forward, reviewing their merits and disadvantages, and reporting in 2 years to him and the American people.

The President's message to Congress on children and youth and older Americans recommends a number of measures which will benefit the rural poor.

Many families and individuals, dependent on public assistance, live below the poverty level. In computing public assistance payments, each State defines minimum need and, unfortunately, 33 States do not even meet their own minimum standards.

The President has proposed legislation to, therefore, require States to meet their own standards of need for public assistance recipients and to bring their standards up to date by July 1, 1969. These changes would substantially aid the rural poor since heavily rural States predominate among those which currently meet only a percentage of their own minimum standards.

We will also support legislation to provide temporary assistance for migratory workers. This legislation will authorize the Secretary to make grants to any State or local public welfare agency for each temporary assistance to such worker or persons who have recently entered the State to seek employment. Similar legislation will be requested under the vocational rehabilitation program.

Child welfare services have been limited outside of population centers. The 1965 public welfare amendments, as noted earlier, required that child welfare services be made available statewide by 1975. This year, the President has facilitated the efforts of States to achieve that goal through his proposal to raise Federal matching and to pay the States 75 percent of the cost of employing and training additional child welfare personnel, the same percentage now paid for public assistance services in public welfare agencies.

There are currently 1,000 counties, predominantly rural, with no child welfare services available; other counties have too few workers. The additional Federal aid would enable States and communities to provide more help to more children who need better care and protection.

A number of proposals have been made concerning child health which are intended to improve the quality and availability of health services for children.

The President has proposed legislation to promote early case finding and treatment for crippled children. Nearly 500,000 children now receive treatment under the crippled children's program.

We are also requesting increased funds for the "Medicaid" program, Title XIX of the Social Security Act, as it affects needy children. Extension of these services will benefit rural children in need, since currently rural areas tend to have poor and inadequate resources for health care for poor children. After July 1, 1969, if proposed legislation is enacted, Medicaid will require States to provide early case finding and treatment for poor children.

The President has also proposed pilot programs in both maternal and children's services and in dental care. Location of these pilot projects will be determined by the need of an area priority given to those areas, rural or urban, where the resources are poorest and the needs the greatest. It is clearly expected that some of these projects will be located in rural areas of acute poverty.

In addition, the President has proposed additional programs for older Americans involving health facilities and better health care institutions for the aged. He is also seeking an end to employment discrimination for older workers as well as extension and expansion of programs under the Older Americans Act which have been beneficial to the rural elderly.

The President has proposed a number of significant improvements in the social securtiy program. They are designed to raise benefits from their present inadequate levels, but there are other objectives as well: to permit greater work force participation of beneficiaries who are able to work, to provide health insurance benefits to disabled beneficiaries, to seek better coverage of farmworkers who are presently severely disadvantaged because of the transitory nature of their employment, to provide benefits for disabled widows and to guarantee at least a $100-per-month benefit for anyone who has worked substantially in covered employment for 25 years. These revisions will increase OASDI outlays by about 20 percent—by $4.1 billion—in the first year after they take effect on July 1, 1967.

The proposed increase in benefits of at least 15 percent with a minimum of $70 a month will be especially helpful to persons in rural poverty. So also will be the increase in the payment for uninsured persons age 72 and over from $35 a month to $50 for an individual and from $52.50 to $75 for a couple,

New provisions extending coverage to an additional 500,000 farmworkers would increase protection for a group among which the incidence of poverty is high. This would be accomplished by requiring contributions and coverage for farmworkers to be based upon $50 per year (or 10 days of employment) per employer instead of $150 a year (or 20 days of employment) under the present law.

The combined changes in social security suggested by the President would reduce by more than 1.5 million the number in poverty. Proposals that would provide only an 8-percent benefit increase would reduce the numbers of persons in poverty by only one-half million.

The proposals also include liberalization of the retirement test. Beneficiaries who are in a position to earn will be permitted somewhat more earnings than at present and still receive their full benefits.

While great strides have been made in recent years in both health and education, there are still many unfilled needs and our task is not yet complete. Thus, the President has proposed major improvements in education and health programs. These include:

Additional funds for the Elementary and Secondary Education Act so that we may reach an additional 1 million culturally deprived children.

An increase in the amount of aid provided or guaranteed to college students of $200 million, allowing an increase of over 300,000 in the number of students aided or a total exceeding 2 million.

Additional funds to increase the number of community mental health centers, the number of medical schools, and the number of students enrolled in the health and allied health professional fields.

We recognize that, even with the adoption of these proposals and the prosecution and continuation of our other programs, rural poverty will remain a difficult problem for us all. We look to you for fresh insights as we continue the effort in this field.

TABLE 1.—*Incidence of poverty in 1964 of unrelated individuals and persons in families, by race and metropolitan-nonmetropolitan residence*

Family status and race	Total, U.S.			Metropolitan area						Nonmetropolitan area					
				In central cities			Outside central cities			Nonfarm			Farm		
	Total number of persons	Poor persons		Total number of persons	Poor persons		Total number of persons	Poor persons		Total number of persons	Poor persons		Total number of persons	Poor persons	
		Number	Percent of total		Number	Percent of total		Number	Percent of total		Number	Percent of total		Number	Percent of total
Total	189.9	34.3	18.0	58.6	10.1	17.2	62.6	6.3	10.0	55.4	13.5	24.4	13.3	4.4	32.9
Unrelated individuals	12.3	5.3	43.2	5.5	2.0	36.9	2.9	1.2	40.7	3.5	1.9	54.7	.4	.2	49.2
White	10.5	4.3	41.2	4.4	1.5	34.3	2.6	1.0	39.1	3.1	1.7	52.6	.3	.1	44.2
Nonwhite	1.7	1.0	55.3	1.1	.5	47.2	.2	.1	61.2	.4	.3	73.1	(1)	(1)	(2)
Persons in families	177.6	28.9	16.3	53.1	8.0	15.1	59.8	5.1	8.6	51.9	11.6	22.4	12.9	4.2	32.5
White	156.9	19.3	12.3	42.6	4.1	9.7	56.4	4.1	7.3	46.8	8.1	17.4	11.2	2.9	25.9
Male head	145.2	15.4	10.6	38.1	2.8	7.4	52.9	3.1	5.9	43.4	6.6	15.3	10.8	2.8	26.1
Female head	11.8	3.9	32.9	4.4	1.3	28.9	3.5	1.0	28.2	3.5	1.5	44.1	.4	.1	20.2
Nonwhite	20.7	9.7	46.7	10.5	3.9	37.0	3.4	1.0	29.7	5.0	3.5	68.9	1.7	1.3	75.1
Male head	16.1	6.4	40.0	7.9	2.2	27.5	2.9	.7	24.0	3.8	2.5	65.0	1.5	1.1	75.7
Female head	4.6	3.2	70.3	2.6	1.7	66.3	.5	.3	63.8	1.3	1.0	80.7	.3	.2	71.6

[1] Fewer than 50,000 households.

[2] Not shown for base less than 100,000.

Source: Department of Health, Education, and Welfare.

TABLE 2.—*Number of poor persons and incidence of Poverty, 1959 and 1965*

Characteristics of head of household [1]	Persons in poor households [2]		Incidence of poverty [3]	
	1959	1965	1959	1965
	Million	*Million*	*Percent*	*Percent*
Total	38.9	32.7	22.1	17.1
Aged (65 years and over) [4]	5.3	5.0	42.9	32.9
White	4.8	4.4	41.1	31.0
Male	2.7	2.1	33.6	21.6
Female	2.1	2.3	57.8	50.8
Nonwhite	.5	.6	70.6	60.1
Male	.3	.3	65.2	50.9
Female	.2	.3	79.9	73.9
All other [5]	33.7	27.8	20.6	15.7
Farm	6.4	3.0	43.1	27.0
White	4.3	1.8	34.3	19.3
Male	4.1	1.7	33.8	18.8
Female	.2	.1	49.2	31.5
Nonwhite	2.2	1.1	87.5	80.1
Male	2.0	1.0	88.4	81.1
Female	.2	.2	79.9	(6)
Nonfarm	27.3	24.8	18.3	15.0
White	19.2	16.4	14.5	11.3
Male	14.3	11.8	11.8	8.9
Female	5.0	4.6	40.9	34.2
Nonwhite	8.0	8.4	49.0	42.5
Male	5.2	5.1	41.9	34.5
Female	2.8	3.3	71.4	66.4

[1] Household defined here as either a family or an unrelated individual.

[2] Persons in households with family income or income of unrelated individual in 1965 below the Social Security Administration poverty index, taking into account family size, composition, and farm-nonfarm residence.

[3] Poor persons as percent of all persons in the category.

[4] Includes only 1- and 2-person households with head aged 65 years and over.

[5] Includes all households headed by persons under age 65 and families of three or more headed by aged person.

[6] Percent not shown because of small number of persons.

Source: Derived by SSA from special Census Bureau tabulations of March 1960 and March 1966 Current Population Surveys.

STATEMENT SUBMITTED BY ROSS D. DAVIS, ASSISTANT SECRETARY OF COMMERCE FOR ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT AND RURAL POVERTY

President Johnson's action in establishing the National Advisory Commission on Rural Poverty focuses attention on a long-neglected problem. In this urbanized age, it is a little surprising to find that nearly 3 out of 10 Americans still live in rural areas, and somewhat disconcerting to learn that this group accounts for 43 percent of the poor. Underlying all the statistics and reports is a rather simple idea—that many people in rural areas are suffering economic deprivation through no fault of their own. They are willing to work, but cannot find jobs. They are eager to learn, but their schools are inadequate. They need medical care, but doctors and hospitals are few and far between. They need decent housing, but new homes are not being built.

The irony in all this, from the viewpoint of the rural citizen, is that the Federal Government provides assistance in all these fields. Somehow, without anybody planning it that way, and in spite of a sustained program of Federal assistance to agriculture, the rural population has not participated fully in our rapid economic growth.

As Assistant Secretary in charge of the Economic Development Administration, I have acquired a tendency to see poverty not so much as a package of separate problems—poor health, inadequate education, unemployment, run-down housing—but as a group of related symptoms that signify economic stagnation or decline. For this reason, I am not going to talk about the rural poor as though they constituted a separate problem which will require designing a new Federal program. A lasting solution to rural poverty will require much more than a new Federal program or a reallocation of existing assistance programs. We must rethink the problem in the broadest terms before we can determine the best strategy for solving it.

What happens in the rural area is affected by what happens in the economic life of the county, district, State, and region. If we are to achieve long-range results, we must take account of the framework within which each area economy exists and functions.

It may be pertinent here to note the fact that, over a period of years, the Federal Government has been given responsibility for the general economic health of the nation. If prices go up, or employment goes down, or interest rates rise—if anything goes wrong—it is the administration in power that gets the blame. We no longer look on our economy as a natural phenomenon that cannot be significantly affected by human actions. Gradually, the Federal Government has been given the role of stimulator, regulator, stabilizer—softening the boom-and-bust tendencies of free enterprise, while insuring the freedom essential for its dynamic growth.

Experience teaches us that the reward for solving one problem is to be free to tackle a new one. So it is with Federal economic policy. Now that we have achieved some success in maintaining healthy economic growth at the national level, we can begin to deal with the problems that are often concealed in the national averages and medians—the *who* and *where* of economic distress.

A median family income of nearly $6,000 is really an amazing achievement, but far too many American families must eke out a living on less than $3,000 a year. A national unemployment rate of 4 percent is not bad, but too many areas of the country have more than 10 percent of their work force without jobs. And what makes the situation of the poor even more serious is that these statistics describe roughly the same group of people year after year—the *persistently* poor, the *chronically* unemployed.

Our experience with national economic growth measures has proven what many suspected—that the costs of intervening to assure growth are much lower than the costs of doing nothing. Men and women out of work mean a loss of gross national product that is just as real as the material losses of war. They represent goods and services that were never produced, that can never be made up.

What we might call the negative costs of unemployment and underemployment are even more compelling. The welfare expenditures of Federal, State, and local governments, which cannot do more than help individuals and families survive, are growing larger all the time. Not only are these costs burdensome, but they also fail to do anything about the central problems which cause poverty. They are palliative and, in a few instances, curative. But they do little or nothing to prevent the situations they are treating.

In addition to these direct welfare costs, the nation must cope with the conditions that poverty breeds—crime, broken homes, mental disorders, and all the other stresses that threaten to destroy the fabric of community life.

The same principles apply at the local level. Unemployed or underemployed workers in rural areas, depressed areas, urban ghettos not only lose the opportunity to earn their own share of America's wealth, but they also reduce the amount of goods and services available to the rest of the nation by the amount of their unrealized potential labor. It is clearly in the best interests of all of us, materially as well as morally, to minimize unemployment and underemployment and the poverty they bring.

If we had to give a capsule description of our current employment situation, we might say that the national picture is generally satisfactory, but we have serious unemployment and underemployment problems in two major areas—the ghettos in the largest cities and the sparsely populated rural counties. While the reasons for each type of poverty may be different, the two groups are not as separate and distinct as we might think. It takes only a bus trip to change a rural poor person into an urban unemployment statistic. A displaced farmhand from Georgia may quickly become an urban welfare case in Philadelphia. On the other hand, a job opening in St. Louis may mean a new life for a young man from a Kentucky coal town.

We recognize that a certain amount of geographic mobility is not only necessary to national economic growth but also essential to the fulfillment of the American dream. The rapid growth of our industries was made possible by the willingness of our people to sacrifice old ties and familiar surroundings for new opportunities in strange places. By the same token, the rise of many great Americans from humble beginnings was made possible by the opportunities industrial growth provided.

Obviously, none of us is against mobility as a continuing characteristic of our society. What we are concerned about is human misery and hardship, which may or may not be involved in geographic moves.

Another difficult fact that we must face is that the rural poor include people of all ages, and a solution for one is not a solution for all. We must think about the young rural high school graduate seeking his first job as well as the family head who has just been laid off after 20 years in the only kind of job he knows. As the individual situations and needs differ, the kind of assistance required will differ.

When we carry these thoughts ahead through time—continuing migration; births, deaths, and aging; and dynamic industrial growth—we realize how fruitless it would be to approach rural poverty as an isolated phenomenon.

Some observers believe that technological changes are making a growing part of the labor force permanently obsolete, and that we should face the fact that we will never have enough jobs for everybody. The proposals for a guaranteed income or a negative income tax reflect this view. Another school of thought argues that some kind of public service corps is required to employ those unemployable in the private sector in activities that cannot be carried on at a profit.

I believe it is a little early to turn to such measures. First, we should try to learn how to stimulate and expand private employment, and to do it in such a way as to absorb those who are now chronically unemployed. We must not only train and retrain people up to their highest potentials, but we must also learn how to create new industries and jobs for them. At this point in time, the dynamics of economic development within the United States are just beginning to be understood, and we have no way of knowing how much can be done to eliminate poverty within the context of our basic economic and political institutions. This approach, which might be called directed economic development, is most consistent with American values, and it deserves a 100-percent effort before we consider the more drastic alternatives now being discussed.

Let us turn now to our immediate problem: What can we in the Federal Government do to alleviate and eliminate rural poverty?

We might start by recognizing what we *cannot* do. We cannot stimulate economic development where the people do not want it. We cannot sit in Washington and formulate effective development plans for local areas. We cannot apply our limited financial assistance on a project-by-project basis and expect to solve chronic unemployment and underemployment. We cannot administer each Federal program as if it served a separate nation, and expect the results to make much sense.

Over a period of many years, the Congress has enacted legislation directed to solving particularly urgent social and economic problems. In the nature of the case, these programs have been administered on behalf of the particular client group. As these programs have proliferated, we have come to the belated realization that a variety of separate aid programs, each logical and well-advised in its own terms, do not necessarily add up to an intelligent, effective, and economical way of improving our society. In fact, there are occasions where two programs, administered without regard to each other, can actually defeat each other's purposes. Some programs may attempt to keep farmers on the farm, others to train them for nonexistent farm jobs, while still others train them for industrial jobs which nobody in particular is trying to create.

If we reverse the logic of these negatives, we get some idea of the things we *can* do:

We can stimulate and support local efforts toward economic development in all the needy counties, districts, and regions of the nation. We can encourage and assist local and district development groups in the formulation of comprehensive and realistic plans and programs for their economic growth. We can help local groups make full use of all resources—Federal, State, and private—on the basis of planned priorities which maximize their impact on the economic growth of each area. We can, in short, try to induce in the economically distressed parts of our country the kind of healthy growth which has occurred in the rest of the nation from causes which we must candidly admit, we do not fully understand as yet.

The immediate concern of this Commission is, of course, the rural poor, while we in EDA are oriented toward the pieces of geography, rural and urban, in which unemployment and underemployment are concentrated.

In working toward our mutual goals, we must frankly recognize that, at this state, we are much better at understanding our problems than we are at solving them. Nevertheless, I think that some of the lessons of our brief experience in operating the EDA program are worth noting here.

First, we have learned to keep our sights on our long-term objectives. We have learned, through the experiences of our own and some other programs, that it is very easy for a new Federal program to slip into an individual project approach which tends to become an aid program which favors those most skilled in preparing project proposals. What we are working toward is a comprehensive data and planning system which will allow us to provide assistance in direct proportion to the degree of economic distress in each area. In other words, our program to assist distressed areas is being geared to do exactly that, and to measure the extent to which it is succeeding in meeting these objectives.

Second, we have tried to make the uncertainties manageable by making the most sophisticated kinds of mathematical guesses about the future. The projections we make, like any other statistical forecasts, are, of course, not guaranteed, but they are as reasonable as we can make them, and they provide the essential "ball-park" estimates we need for program planning.

The planning, programing, budgeting system (PPBS) methods installed by President Johnson have been very useful tools in this new program. Our best current estimates indicate, among other things, that the economic distress of the rural areas is going to continue. Our projections indicate a similar aggravation of the urban poverty problem, with larger and more explosive ghettos to demand our attention. These evaluations of future prospects are not only helpful in working out program plans for the immediate future, but they also guard against the kind of unforeseen developments that can wreck any government program that gets too set in its ways.

Third, we have had to recognize the fact that, although EDA (and ARA before it) is the Federal agency primarily concerned with stimulating area economic development, a great many other organizations and groups contribute to the process of economic growth—local development groups, private companies, State and local governments, banks and many others. Economic development is a process so pervasive and all-encompassing that it is beyond the capacities not merely of EDA but of all government agencies to accomplish alone. Recognizing this, we in EDA have cast ourselves in the role of catalyst, helping others to plan, stimulating them to act, guiding them toward effective methods, providing them with material and technical assistance where it can increase the economic growth potential of the area.

What I have described could be called "coordination" were it not for the fact that this word is so often used to mean a passive kind of noblesse oblige among a group of organizations who tacitly agree not to let outsiders know the extent to which their functions overlap and their objectives are at cross-purposes. I would emphasize, instead, the *active* kind of coordination and cooperation that clearly assigns functions and insists upon well-defined objectives.

Finally, I would like to mention our experiences with the problem of size and control. How small can an economic unit be before it is too small to tackle its own problems? How large can it be and still be manageable?

At this point, we really don't know for sure, but a few general ideas are becoming apparent. For one thing, we find that in many cases a single county is too small a unit for effective economic development planning and programing. I don't mean to say that the county organization and effort are unnecessary; indeed, the local organization is perhaps the most essential part of an effective economic development program. But the county unit cannot function effectively alone. Because its economic activities are tied to those of other areas—especially the adjacent counties—its economic future will be determined by how well all of these areas succeed in stimulating growth. Joint planning and coordinated action can accomplish for several counties what no one of them can do for itself.

At the State level, similar considerations apply. While the States, like the counties, do not automatically constitute economic units, they represent political decision-making powers that must be involved in effective economic growth programs. In some problem areas, such as air and water pollution, it is obvious that the individual State has limited possibilities for solving its own problems alone.

These realities are taken into account explicitly in the EDA legislation, which provides special incentives and assistance to "economic development districts," which are locally determined groupings of counties that contain at least two EDA-designated counties and at least one growth center—an urbanized area whose growth potential can be exploited to the benefit of the entire district. The States must approve the designation of appropriate economic development districts wholly or partly within their border and recommend an economic development center for each district. At a higher level of aggregation, the law provides for regional commissions modeled after the Appalachian regional commission, which provide broad-gauge planning and coordination for economic development of regions including parts of several States.

Let me quickly restate these four ideas gleaned from my own experience in directing the EDA program.

(1) Never lose sight of the objectives. A program to help the people in distressed areas or the rural poor in general must be rated by how many of these people it ultimately helps.

(2) Look ahead. Statistics and computers offer the opportunity to make educated guesses about the future. While never forgetting that even the best projections are *only* guesses, we must insure that we are making use of all the facts that can illuminate our problems.

(3) Clearly define your role. Successful economic development depends on a wide range of organizations and skills. No one agency can accomplish it alone. Getting all groups agreed upon objectives and striving for the same ends is much more important than the amount of Federal funds injected into any one program.

(4) Try to locate the decision making where it can be done most effectively. Some things are done best in the county, some at the district level, and so on up to the Federal Government. We must learn what belongs where.

Before closing, I would like to take a few minutes to mention a great policy issue which will be decided eventually by the American people rather than a few government officials concerned with their particular programs. This question deserves as much illumination as it can get since the quality of life in the America of the future will depend to a great extent on how it is resolved.

To put the question in a few words, What kinds of communities do we want? What we seem to be getting, without any conscious trying, are more supermetropolises with explosive cores and sprawling suburbs, along with slowly dying small towns and rural areas. Up to now, we have not thought too much about this trend, probably because we considered it outside our ability to control. And the truth is that there are obviously sound economic reasons for the kinds of growth we have experienced. But like the boom-and-bust cycles of the past, the economics of location can be altered if we so desire. The problem is really to decide what we want.

Our program—and some other Federal programs, too—seems to be moving toward a middle position on the city *versus* rural area problems. By taking an approach which seeks to stimulate growth in viable cities of moderate size within development districts, we acknowledge on the one hand that we cannot create job opportunities in every distressed county, but we can offer alternatives to the long, desperate trek to the crowded metropolis.

I am sure the choices eventually arrived at will be along the lines suggested by President Johnson in his message to the Congress on area and regional economic development:

> . . . As our people more fully realize their human potential, we must be sure that the economic potential in all areas and regions is also realized. Indeed, in order to be fully effective, education programs, health programs, the programs of the War on Poverty, and many other activities require complementary efforts to promote sound economic conditions and the proper physical environment.
>
> Opportunity should not be closed to any person because of the circumstances of the area in which he lives.

STATEMENT SUBMITTED BY GEORGE H. ESSER, JR., EXECUTIVE DIRECTOR, THE NORTH CAROLINA FUND

There is a place in eastern North Carolina called Forks in the Road. It is a rural community. The poor resident of Forks in the Road has less education, a more dilapidated house, poorer health, less chance of becoming trained or employed, less chance of seeing his children finish high school, is more isolated, and has fewer assets than his urban counterpart. Further, there is a good chance that he lives on a dirt road and has no water or sewage other than a well and an outdoor privy. Chances are he doesn't know of all of the benefits available to him from social security, the county extension service, the health and welfare departments, or the antipoverty program. If he has heard of these, he is inclined to think they are for somebody else. Yet he wants education and training and is motivated toward improvement. It may be hard to activate this motivation, due to previous disappointments, but it is there. He wants for himself and his family the same things that you and I do—a decent standard of living, education, and a better life. He does not expect that he will get these things, but he expects that his children will, for he believes in the American dream.

The poor in rural America are getting neither a proper nor a proportionate share of our national resources or concern. Yet one-half our poor live in rural America where we continue to stockpile poverty in the midst of plenty. The primary reason that we do so is that this nation has no policy or strategy for rural areas. Our attention has been focused on crops, not people.

The North Carolina Fund *is* concerned about rural America. We hope our experience can contribute to the Commission's search for policies and programs to help people who live in these areas.

The North Carolina Fund is a 5-year demonstration project, initiated by then Governor Terry Sanford and other leaders in 1963 and funded by National and State foundations. Our experience includes support of community action programs in both rural and urban areas across North Carolina, experimental and demonstration projects in manpower development and mobility, low income housing, a (massive) socioeconomic survey, an analysis in depth of the community action process, experimental training programs, program planning, and analyses of the social, economic, and legal systems which tend to perpetuate poverty.

Rural America must have our direct and immediate attention, and a much greater share of our resources, if we are to fulfill the goals of a great society. In urban areas we are everywhere confronted with the visibility of the problems of the poor. The urban poor are letting us know that they do not accept a second-class citizenship as their birthright.

Do not let us be deceived. The urban poor were once the rural poor. The conditions which produced a Watts are present in an even greater degree in many of our rural areas. Isolation, poor communication, and poor transportation thus far have discouraged a dramatic response. But unless we meet the needs of the rural poor where they are, we are helping build new generations of faceless Americans to be sucked into urban slums that breed despair more than hope.

An essential step in a realistic approach to solving rural problems is to stop thinking entirely in terms of moving people.

The experience of the North Carolina Fund (for example, through its Mobility programs) shows that although some rural people will move to find new jobs and better life, this never will be true for all. Our feeling is that attention must be given equally to those who wish to move, and those who choose to remain in rural areas. In other words there must be a viable alternative to migration toward urban centers. We have attacked urban problems and neglected rural problems as if we thought rural areas were to be entirely deserted tomorrow.

If such an idea has been a mental block preventing us from using our best energies and full resources to solve urgent rural problems, let us discard the idea. It doesn't hold water. The *number* of people who live in rural United States is holding steady, though the percentage is declining. We must help them, where they are, and *now.*

I assume that the Commission has available relevant statistics on rural poverty. I shall not attempt to restate them, although I will cite relevant North Carolina statistics as I proceed. My concern today is with certain specific problems and recommendations to meet those problems. Even so, I shall not cover everything. The needs of rural America are too great to hope to refer to them all in half an hour.

My recommendations are made within the framework of two major assumptions. First, we must have a vastly increased investment of national resources in our rural areas, both in terms of meeting the needs of the poor and of economic development.

Therefore I suggest:

1. A system of subsidized rural transportation.
2. A planned and orderly development of rural service, information, health and education centers.
3. Low cost, subsidized, individual-unit housing which is both readily expandable and movable.
4. A stepped-up program of prevocational training, literacy, and skill training using all of the latest techniques. Such an effort should include job development and on-the-job training, and should be based on a government-industry cooperative plan.
5. The relative lack of wealth of a State and region should be a factor in the location of Government facilities.
6. Some form of a guaranteed annual income or standby public employment should be provided for those who are being automated off the farm or who are unemployable due to illiteracy or lack of skills.
7. Special measures and increased investment of funds are needed to raise the standard and performance of rural schools and school systems.
8. A special commission should be appointed to study:
   (1) The problems of the small farmer.
   (2) The legal status of the tenant, sharecropper, etc.
   (3) A program of varying levels of support for crops to insure adequate income for the small farmer and to insure the ability of all farmers to pay a minimum wage.
9. Continuation and expansion of current efforts to encourage new economic development (and jobs) in our rural areas.

My second major assumption concerns our attitudes toward the rural poor. We are producing second and third generations of citizens who have been robbed of every vestige of human dignity and self-respect by our all-pervading conviction that our values are better than theirs, and that in order to improve their lot they must live better—as we do—and that we will show them how. Nothing shows this more clearly than the stubborn resistance of our agencies and institutions to involve and listen to the poor as we try to meet their needs. The greatest single contribution of the Economic Opportunity Act may well be the dramatic revelation of this failure on our part. My recommendations here are:

1. A much greater emphasis on development of leadership and participation by the rural poor through such programs as neighborhood organizations, community corporations, and incentive grants, and special training for county agents and extension service workers in leadership and community development and communicating with the poor.
2. The development of programs for the orientation and training of CAP boards and professional workers who deal with the poor, to help them understand and better communicate with the poor.
3. Equal opportunities for all rural citizens and the elimination of discrimination in all federally supported agencies and programs.

TRANSPORTATION, SERVICE CENTERS, AND OUTREACH

The Fund's Manpower and Mobility demonstration programs have convinced us that transportation for the rural poor is a major problem. The Manpower project involves door-to-door outreach in selected target areas to move former tenant farmers into training and, eventually, new jobs. Fieldworkers determine eligibility of the prospect, inform him of training opportunities, and arrange contact with job counselors who then follow through on feasible training opportunities. The Mobility project also employs fieldworkers to recruit unemployed and disadvantaged persons from areas of unemployment and help match them with jobs in areas of the State where a tight labor market exists.

Phase 1 of our Manpower program operated in six predominantly rural counties, with a field staff of 22. (The total number of program participants in this phase was 2,531.) In this period, our field staff transported program participants or interviewees a total of 1,338 recorded times. In one area all

Manpower program participants lived between 7 and 35 miles from the town in which the office is located. Even when classes were set up in a location 13 miles from this town, transportation problems were not solved.

This particular program also arranges on-the-job training for hard-core poor. It has been easier to locate jobs and on-the-job training opportunities than it has been to arrange for transportation. In numbers of cases, trainees have had to leave either jobs or training because of their inability to find daily transportation. In one instance, an employer called the Manpower office to report that a certain trainee had not shown up for work. Later on, the employer called back to say the trainee had come in—having walked 26 miles in order not to miss work. In another case, a young woman was placed in OJT in a town 14 miles from her residence. The only mode of transportation besides private conveyance was the Trailway bus system, which ran at an hour not suited to the employer's requirements. Even after reaching the city, the subject could not obtain commercial transportation that would place her any closer than 2 miles from her job. It was discovered later that the young woman had obtained private transportation at a total cost of $18 weekly, which, when subtracted from her $39.21 weekly wage, left $21.31 as her take-home pay. In still another case, a Manpower fieldworker got up daily at 5 a.m. to transport a trainee to his place of employment 30 miles away. The fieldworker did this for a period of several weeks until the trainee could be relocated to the town of his employment.

These are not isolated cases. Neither is relocation to the town where the training center or employment is located a satisfactory answer. Furthermore, the poor have equal difficulty in reaching health and welfare agencies, hospitals, and food distribution centers. Fieldworkers in both programs have spent much time in helping participants of the programs secure transportation to these vital services. And the experience of these two programs is reinforced by the growing experience of community action agencies serving rural areas in North Carolina.

The recommendations which come from this experience, and from our socioeconomic survey of over 13,000 low income families, are:

1. Creation of a subsidized transportation system or systems that could serve the needs of isolated rural residents.
2. The planned and orderly development of rural service centers with either mobile units or outreach posts or both, and fieldworkers for purposes of outreach from all units. Such centers should offer coordinated health, welfare, housing, education, and training services, plus programs such as day care and recreation to be set up and directed by the rural residents themselves. These low income residents also should form the nucleus of the policy-making mechanism of the centers. In addition, these units would serve as information centers. The problems of reaching and hearing the rural poor have been underestimated. Our survey shows that one of the things the poor want most is the opportunity to participate in plans to help themselves.
3. Federal standards for, or Federal administration of, the surplus food distribution program. All too often the county governments of the poorest counties do not or cannot take advantage of this program, or they limit food distribution in ways which adversely affect the poor (e.g., offering food for just part of a year). The Federal Government must undertake to see that all who qualify have access to surplus food or food stamps.

HOUSING

How can we improve the quality of life of a family of 10 who live in a two-room house lined with newspaper, and heated by a trash burner? Will education or skill training help the head of this household when his rest is so poor that he finds it difficult to work a full day without becoming overly tired?

Will the children from that house, which lacks not only every convenience but almost every necessity, have the physical and mental health necessary to compete even in the most modern schools?

What about housing—have we neglected rural housing because of its low visibility? Two of the six predominantly rural counties covered by the Fund's Manpower program have over 60 percent substandard housing. Two have between 50 and 60 percent, one has between 40 and 50 percent, and only one of the six counties has less than 40 percent of the total housing units of the county listed as unsound or lacking adequate plumbing facilities. These were the conditions in 1960 as reported in "Dimensions of Poverty in North Carolina," a North Carolina Fund publication. This report tells us that only 24 counties of the 100 in predominantly rural North Carolina had less than

40 percent unsound housing. In the State as a whole, 56 percent of the persons living in rural areas occupy substandard housing. In rural eastern Bertie County, 35 percent of those interviewed had no running water. Programs to help low income rural people get better housing are almost nonexistent.

What are some solutions? We must have *low cost*, scattered—not concentrated—housing. The housing must be scattered in order to meet the needs of the people where they are now. The unit must be basically movable. We should utilize technological developments to create a movable dwelling to meet changing needs and respond to changing opportunities. Families must be given a choice and flexibility, so that they may move where opportunity is greatest and not be tied to a given location. The housing should be expandable in order to meet the changing needs of the rural family. The units must have individual sewer and water systems as chances are there will be no municipal systems to which to connect. The units should be of such design, construction, and materials as to require minimum inputs of time and money for upkeep. Accessibility to units by car is necessary so that all members of the family may be able to get to places of employment, schools, training centers, etc.

Because rural incomes are so low at all levels, and because they are not likely to rise significantly in the near future, some form of subsidy is absolutely essential to provide the rural dweller with a safe, decent, sanitary house. Three-quarters or more of current North Carolina rural dwellers do not have the cash income to make monthly payments on even a $5,000 unit and probably less than 10 percent have sufficient savings to make the downpayment to purchase a house. The traditional financing barriers to rural housing would be an additional factor to contend with. Rural families will not be able to acquire mortgage loans without a subsidy in most cases. If direct or indirect payments are required for services such as utilities and roads, subsidies will have to cover such costs.

An improved living environment will contribute to and help sustain the social and economic development of many families, and make more tolerable the remaining years of older people, and of other rural dwellers who cannot or will not leave their areas. But the long-run answer is a level of social and economic development which will make it feasible for the rural dweller to live in the rural area if he so chooses and to support himself and his family in that area.

I would suggest the employment of fieldworkers to explain such housing programs, help people fill out applications and in general reach out to people where they are. The people who need the housing worst are the hardest to reach and have the most difficult problems.

In the meantime, existing programs should motivate low income rural people to seek better housing and institute more programs such as the quietly successful self-help housing project in Macon County, N.C. A mortgage insurance program could be established, specifically aimed at low income rural people; and certainly the rigid regulations of the Federal Housing Administration and the Veterans' Administration must be made more flexible so that these programs effectively serve the people.

MANPOWER AND ECONOMIC DEVELOPMENT

There must be vigorous efforts to stimulate much-needed economic and manpower development in rural areas, including increased investment of time, planning, money, and leadership. The educational and skill levels of the rural poor is such that they cannot successfully compete for jobs in today's labor market, even where jobs are available.

In addition to remedies such as increasing MDTA slots for rural residents (now far below the slots available for urban residents) and enlarging and extending adult educational programs, I have two suggestions which could be implemented in order to begin a "radical renewal."

1. The formation of a *national* nonprofit corporation composed of top leaders from industry, government, civil rights groups, labor, foundations, education, and organizations of the poor themselves. The corporation would: encourage the location of industry in rural areas; evaluate and demonstrate the latest hardware and techniques in programed learning for purposes of upgrading low-skilled workers and training illiterates; research and demonstrate computer techniques as applied to matching jobs with skills; assemble, interpret, and release data and experience of the Job Corps camps and the armed services in solving training and education problems; maintain for

States and communities a file of top consultants from all fields, their particular specialties and experience, availability, and cost of services; and make available, insofar as possible, field representatives of their own. Financial support would be sought from industry, foundations, government, and labor unions. Personnel might be loaned from each of the institutions represented for periods of 1 year, as is done in Plans for Progress. Such a corporation might well have regional offices in areas of greatest need.

2. The location of government facilities in these rural areas. This would bring improved transportation networks and overhead capital, encourage population to gather at growth points, and stimulate industrial decentralization. While rural counties now seek industry, at a disadvantage, it is probable that the type of development needed cannot take place without a major commitment of National and State leadership and resources.

GUARANTEED INCOME

A general measure of potential benefit to the rural poor currently under study is the guaranteed minimum income. I encourage further exploration of this approach, although I do question the wisdom of plans to use a lower minimum income in the South based on alleged lower costs of living. Such plans should be examined for a built-in bias arising from the fact that the South is already poor. I am not convinced that a minimum standard of living is so much less in the South than in other parts of the country. The Fund is presently conducting a food-price survey to determine whether food costs in North Carolina are in fact lower than in other parts of the nation.

Until we attain a guaranteed income, I urge the use of standby public employment for those who are being automated off the farm or who are unemployable due to illiteracy or lack of skills.

EDUCATION

I must say something about elementary and secondary education in rural areas. The problem is so mammoth that I feel the best approach here is to list several areas of concern which I view as critical:

1. *Salary supplements.*—The lack of local funds prevents these systems from paying anything other than minimum salary—which is equal only to the base salary in more progressive urban areas. Needed: Federal subsidies for salaries in poor, rural school systems.

2. Even if the quality of the rural teacher is the same as his or her urban counterpart, lack of equipment and inadequate curricula are cheating the students and the teachers. The fact that rural America is economically depressed in no way justifies depriving rural poor children of the latest teaching aids and techniques.

Therefore, I think it is a *must* that *all* schools have equal facilities so that a student in a rural community has the same educational opportunities as our city-born youngsters.

3. *Compulsory attendance.*—Although many States have compulsory attendance laws on the books, these laws are not enforced in many areas (a) because funds are not available to hire the necessary personnel, and (b) because, in many cases, local custom is to support the farmer and not to enforce mandatory attendance during times of peak labor needs.

4. *Transportation problems.*—These prevent the teacher and parent from discussing the problems of the student; prevent the parents from becoming involved in the activities of the school and further prevent poor students from participation in extracurricular activities that meet after the schoolbus leaves to take the students home.

5. *Curriculum.*—Courses offered in rural schools are too frequently not sufficient to qualify the graduate to enter a college or university—especially when standard entrance tests place rural students in competition with urban youth.

Thus, our discrimination against the rural youngster continues through life, affecting his earning power, his self-sufficiency, and his ability to function as a participating citizen.

6. *Food.*—We must insure all schoolchildren of a balanced diet.

THE TENANT FARMER, SHARECROPPER, AND SMALL FARMER

I must say something about the problems of the tenant farmer, sharecropper, and small farmer in the South. These problems fall into a rather special category.

Census figures for 1960 show that 30 percent of North Carolina's farmers were then tenants, but were operating on only 19 percent of total farm acreage.

The Fund's statewide stratified sample (part of a larger survey) found 49 percent of the tenants interviewed were operating on 19 acres of land or less (30 percent were on from 1 to 9 acres).

Sharecroppers and tenants, particularly Negroes, are effectively excluded, for the most part, from local farm elections. For example, ASC committees are extremely important and make major decisions affecting all farmers.

It is common knowledge that the law concerning real property in general and the landlord-tenant relationship has come down from feudal times, and during the last 200 years the tenancy laws have remained more or less static. In fact there has probably been less development here than in any other important field of our jurisprudence.

In many instances the agreement between the tenant and the landowner is oral. The result of this is that there are often misunderstandings concerning the contract. A written contract or some standard form of lease should be required.

I urge the creation of a high-level commission which would look into the status of the marginal tenant farmer and sharecropper. I suggest a program to inform low income independent farmers and tenant farmers of their rights in elections that affect their livelihood.

The tenant farmer, sharecropper, and small farmer must get a decent income. All small farmers cannot be rehabilitated and moved into industrial jobs which pay good wages. So we must find an answer for those who must remain on small farms and look to that income for their support. If the problem is in the support system, then the support system must be changed. At any rate, something must be done to enable the tenant, marginal farmer, sharecropper, and their families to enjoy a decent standard of living.

THE PROBLEM OF LEADERSHIP

Every problem gives birth to another. As more and more families are forced off the land, it is the young and the better educated who move away in ever-increasing numbers, for they have no viable alternative. The older, the less well educated, and the poorer remain. In looking at gross statistics from the 1960 census, we find that North Carolina rural areas have a higher percentage of their population below age 19 than the urban areas. However, between ages 20 and 64 in groupings of 5 years, every rural grouping represents a *lower* percentage of the total rural population than the corresponding groupings in the urban areas. The comparisions don't level off, or become equal in terms of percentages of the total population until age groups 65 to 69 and above are reached. Senator Gaylord Nelson, in a speech to the National Association for Community Development Rural Poverty Conference 2 weeks ago, said that approximately *60* percent of the young people age 20 to 24 move away from rural areas. Our fieldworkers and other observers report that many high school graduates, particularly Negroes, head north within weeks of graduation.

What these figures mean, and our experience shows, is that leadership, or the lack of it, is a crucial rural problem. It is said of some rural counties "Everybody who had any get up and go, got up and went." How are we to solve this problem?

TRAINING PROGRAMS

A Federal administrator responsible for significant rural programs has said, and I quote, "Federal agencies cannot impose their programs on the rural people or the local communities. The rural people must (1) learn about the program, (2) decide locally how they can make use of it, and (3) *submit an application in a form that can be considered by the agency.*" [emphasis mine.] Who in the hard-core poor rural community is going to do this? I once heard of a county agent, desperate to help his county, but equally desperate to get his hands on even an *application blank* needed to apply for a certain Federal program. There is no guarantee that if the agent got the blank he could have produced something "in a form which could be considered by the agency." A knowledge of "governmentese" does not spring full blown from the head of the average citizen.

Let's look again at the county agent. Although many of the county agents tend to deal with the middle income or business farmer and are pushed to do so by their State agricultural extension offices, there are certainly a number who are concerned about the total county community in which they live. Unfortunately, no matter how concerned the agent may be, he does not have the information at his disposal nor the training, nor the office staff, to meet the needs which he sees. What about grants for innovative training programs for the county agent? Such programs would explore techniques to help the agent (1) develop the total rural community, with emphasis on leadership training, reaching the poor, and communicating with the poor; (2) deal with conflict situations, for certainly changing established agencies and community patterns does not come easily; (3) explain, list and interpret existing Federal and State programs aimed at the rural poor; (4) identify sources of information and technical help. I am suggesting the county agent because *he is there*, he knows the county and many of its people, he knows the courthouse and agencies. *And we have to start where we are.*

Such an effort should certainly take into consideration ways and means to reach the agricultural establishment—land grant colleges and State extension services—and to urge them to evaluate present efforts and develop new training techniques and approaches and broader concerns. Some of them have developed such new approaches. More are reluctant to move ahead for fear their existing, largely middle-class clientele would not understand. And many extension leaders will confess both their inability to reach the poor and their doubt that the poor can help themselves.

I must call your attention to an aspect of the out-migration mentioned above which, as far as I know, has not been reckoned with at all. This is the fact that many of those who leave for northern urban areas are parents, and they leave their children behind. When Mississippi passed a law requiring tuition payments for children whose parents had left the State (1965), it was estimated that there were 7,000 such children in that State, approximately 85 percent of them Negro. The South Carolina State Board of Education has unverified data from about five counties, and this data indicate that these five counties have a fairly large number of children in this situation. North Carolina school people have no figures, but fieldworkers who have worked in poor rural counties both in the east and the west report that the problem does exist in North Carolina. So we have added to all of the other rural problems that have been mentioned a large group of temporarily or permanently abandoned children, living with relatives and friends, many of whom do not have the resources to care for them. Many live in localities and counties which are the least likely to be able to give them the education, help, guidance, and health care which they need. Certainly we must begin at once to investigate the dimensions of this particular problem.

Incentive Grants and Community Corporations

How is indigenous leadership to be developed?

Leadership has to do with initiative and how a man thinks of himself. The man who has been isolated and deprived wants deep down to accomplish something, to do a job well, to win approval and to gain rewards, even if he doesn't expect to attain these things. The Fund's survey statistics tend to demolish the myth of the lazy, happy farmer and the homogeneous rural community. A Fund experiment in the mountains of North Carolina is trying to help rebuild a sense of community in an isolated rural section. This program is called the incentive grant program. Organized indigenous groups are awarded small grants, none over $1,000, for projects of their own design. These include helping to build or improve community centers, assisting with community water projects, developing trash dumps, and helping to develop small, local industries. The emphasis has been on *process* more than *projects*, and we have seen people who were supposed to be "sorry," get together, plan, work, and take new hope.

Another type of project which develops leadership at the same time it improves the economic situation in the community is the cooperative. Such a project is being carried out in Macon County in the mountains of North Carolina. This cooperative produces trellis tomatoes, peppers, and apples. Last year the co-op made a profit of $287,000 and employed 38 people. Seventy percent of the ownership is in the hands of the rural poor. Success may well have been determined by two small North Carolina Fund grants. These grants were for the training of graders and packers, for the labor to improve the building (obtained from the county for $1 per year), and for the manager's salary for the first year. Another major item in the success of this project was a hookup with a marketing organization which provides outlets all over the country. The first truckload of tomatoes went to Montreal, Canada. There has been a change in the attitude and motivation of the low income people who are a part of this venture, as there has been in all members of the community who participated in the project.

Another successful Macon County project is self-help housing. All self-help participants are experiencing increased *self-esteem;* have been introduced to supportive agencies and personnel; have been trained in house framing, wiring, plumbing, and heating; and have learned something about how to manipulate the bureaucratic maze.

None of these ideas is particularly new. Financial help for them is available in some measure. But few of them are going to help the rural poor in any significant way if the efforts of United States Department of Agriculture agencies, and other agencies, are not stepped up. A successful cooperative involving the poor requires much more technical assistance than is now available, and I recommend vastly increased funds for such technical assistance through the Farmers Home Administration and other agencies reaching the rural poor.

I also suggest more funds through the Office of Economic Opportunity to encourage the development of effective neighborhood organizations in rural areas, composed of and administered by the poor. Not only should assistance be provided through community action organizations, but as these neighborhood organizations mature and adopt specific program objectives, we should experiment with seed grants to them to permit them to become autonomous nonprofit organizations, to hire small staffs, to provide training for their membership around community issues and problems, to help administer (perhaps under contract from a CAA or local government) local services, and to encourage maximum use of all available resources for economic development. I doubt that we have begun to uncover the possible ways in which the poor can be brought into the mainstream of the community through simple adaptations of techniques formerly reserved for the middle class alone.

MIDDLE-CLASS ATTITUDES TOWARD THE POOR

I think the problem which troubles me most concerns the attitudes, behavior, and approach of those who are trying to deal with the needs of the poor.

Let me take this first as it applies to the boards of community action agencies. We find, generally speaking, that these boards do not have a clear understanding of their role in the community action process; take little part in program development; have little knowledge of program alternatives; often delegate policymaking to the staff or to an executive committee; are inclined to resist full representation of the poor, or to choose representatives of the poor who are either not poor or not articulate, either have not defined goals and philosophy or subscribe to a philosophy which is at variance with the purpose of the agency itself. All too often there is no effort to listen to or understand the needs of the poor, or to restore the respect and confidence which we have sacrificed as we have made decisions and acted *for* the poor. Let me say also that we have seen some boards come face to face with these deficiencies and take corrective action.

The motto of too many of our community agencies and institutions might be "Let us teach you to live better, like we do." Community action agencies, both boards and professional staffs, are in many instances helping the poor, but they are not helping the poor to help themselves. There is a strong possibility that such an effort, billed quite differently, may serve only to further encase the poor individual in his cocoon of isolation and indifference. What has our institutionalized, welfare-oriented approach done to the poor? Let me read you a story written by a couple of 10-year-old mountain boys:

THOMAS BUCKSKIN

By Dean Hunter and Bobby Lawson

Thomas Buckskin was as big as a mountain and tall as a 60-foot pine tree. It took a thousand feet of lumber to make him a pair of shoes.
Fried chicken was his favorite meal. He could eat 100 chickens at one sitting.
He let his hair grow very long. Also he had a long hanging moustache.
He was a working man. He was a good mechanic. He could pick up a car with one finger. He could put his toes around a boat and take it anyplace.

One day he was working on a car and he got his hair hung in
the fan. When the car started, it pulled out his hair.
Come to find out his strength was in his hair. So now he was a
weak man.
So he sat down on a mountain and began drawing checks.

How can we restore such a man's confidence and respect in a society which has robbed him of his own sense of self-worth? The North Carolina Fund's statewide sample in its recent socioeconomic survey indicates that the poor individual wants most to be involved in planning to help himself. We have heard a great deal about involvement of the poor—and must hear more, for so far, many of our efforts have failed. However, I submit that there needs to be orientation and training for the people on the other end of the seesaw, CAP boards and professional staff, and professionals in other community agencies in order that they may perceive the meaning of the community action process, the meaning of individual dignity, and begin to establish goals and plans which will eliminate the poverty of thinking which has characterized some of our systems, agencies, and institutions.

Dr. Dan Fox has characterized Appalachia as fine people and lousy systems, and spoken of the poverty of understanding of bankers, school superintendents, coal operators, labor unions, elected officials, churchmen, and college professors. There is indeed a challenge which is not being met.

Those who are dealing honestly with problems must face facts and work to establish creativity within tensions, trust where there has been no trust, and involvement not only for the poor but for the decision makers in the community. We have failed most where the symptoms of poverty are most severe—in rural areas.

There are few viable pressure groups working for the rural poor. There is a need for *study, specific* planning, and money to train and involve the middle-class community and the professionals in listening to and learning from the poor. I suggest that this need is urgent.

EQUAL OPPORTUNITY

The poor rural Negro in the South is worse off in almost every way than his white counterpart—housing, per capita income, employment, educational opportunity, civil rights—you name it, he hasn't got equal access to it. Thousands of nonwhites move north every year seeking opportunities denied them where they are. The younger and more able go, leaving a critical leadership vacuum; and the older and more disadvantaged stay, but feel forced out by the system.

What's the answer? What do you say to those for whom neither the Constitution of the United States nor the law of the land are yet viable instruments? I have no pat solutions. There probably are none. But I do have a comment. It is that the Federal Government has not yet properly implemented the law. The U.S. Civil Rights Commission has reported that the nonwhite southern farmer has been the victim of pervasive and senseless discrimination for years. Secretary Freeman acted promptly to try and correct the situation. But much remains to be done. Other Federal agencies and institutions are equally at fault, both as to equal employment within their own agencies and in programs which involve Federal funds. The whole area of placement of Negroes by the Employment Service and other Federal job placement programs needs to be reexamined and more effective procedures promptly effected. Where there has been a pattern of discrimination in farm elections (ASCS), the possibility of Federal monitors should be considered.

The Equal Employment Opportunity Commission must have more money and more people. In North Carolina between 1950 and 1960 there was a drastic decline in agricultural employment. Whites found compensating employment but most nonwhites did not. In fact, there were 37,000 fewer jobs for nonwhite males in North Carolina in 1960 than there were in 1950. Part of this is due to a great lack of skills, but part of it is because many positions in the nonagricultural sector simply are not open to Negroes.

Most of all, Federal agencies should mean what they say. Many leaders in the South were prepared to accept school desegregation and comply until they found out the Government didn't mean what it said. As a result we have been engaged in gamesmanship for 13 years. Many southern people of good conscience have stuck their necks out with school boards, city councils, State agencies, community action agencies—and insisted on good-faith compliance with Federal regulations—only to find when they looked around that they were out on that limb all by themselves. The bureaucrats and their guidelines had disappeared. As a result, there have been fewer and fewer people willing to take such positions. The terrible part of all this is that the game isn't played with checkers or jacks or cards, but with human beings. There are no volcanoes erupting at the moment, but let us not be deceived. Things have improved, but the major portion of this task remains to be done.

Institutional Change

What about institutional change? The United States Department of Agriculture has been accused of talking more about corn than about people. Fewer than 12 percent of the farmers receiving FHA loans in the South in 1965 earned as little as $4,000. Middle and upper income farmers have benefited from Federal subsidization, but their laborers have not been protected by Federal social legislation—minimum wages and working conditions, retirement benefits, and enforcement of nondiscriminatory laws—in the same degree as has the industrial work force in the United States.

While we recognize that the programs of the U.S. Department of Agriculture tend to support and aid the commercial farmers, there are a number of programs which either were designed or could be used to help the rural poor. However, it is our observation and experience that agencies of the U.S. Department of Agriculture are failing to make the impact that they have the ability to make because they are not reaching out. This is for two reasons: (1) By and large, the U.S. Department of Agriculture bureaucracy does not believe that rural poor can help themselves and (2) those who do believe it cannot communicate effectively with the poor. Unless this agency changes its objectives, understanding, and methods of approach, it will not do the job its expertise and resources should enable it to do.

There are problems on the local and State level, also. While the extension service is not a USDA program, it does draw support from that agency. It is the experience of most persons who have worked with the rural poor that neither the extension service nor the home demonstration agents really reach the rural poor. Both FHA and ASCS county committees are composed, by and large, of middle-class farmers who share the view of the USDA bureaucracy. We have seen, for example, loan committees applying stricter standards to small farmers, many of them Negro, than they do to middle-class farmers. Instead of giving the borrower the benefit of the doubt, they demand that the small farmer meet the same criteria that the bank would require.

The assistance of FHA and other USDA agencies won't mean anything, however, unless it is accompanied by technical assistance. The poor are expected to be experts on everything, but such is not the case. As we have seen they not only are not experts, but in more instances than not have no knowledge of the programs which might help meet their needs.

To sum it up, there must be a change in the attitudes, understandings, and commitment of the U.S. Department of Agriculture. The services in terms of both programs and people must be extended to serve all rural people, not just middle income farmers. A change in name might indicate the beginning of a change in approach. The United States Department of Agriculture might be appropriately named the United States Department of Rural Development.

STATEMENT SUBMITTED BY HARRY L. GRAHAM, LEGISLATIVE REPRESENTATIVE, THE NATIONAL GRANGE

SUMMARY

1. The general cause of inequality between rural and urban employed persons is a "dual economic system" which returns a disproportionately small share of wealth produced from agricultural commodities to the producer.
2. The quantity and quality of services to rural Americans falls far short of national average.
3. There are three commonly identified problems: (1) comparably low income; (2) community deficiencies; and (3) costs of sparsity.
4. We need positive answers from our agricultural economists instead of explanation of obvious trends.
5. Increased production at lower prices is a one-way road to bankruptcy.
6. Equality of income is an unacceptable goal if it must be purchased at the price of extra long hours of labor.

7. Basic question: How can farmers make the same kind of a living with the same investment of money and time as the rest of our society?
8. The problem of monopolies within agriculture, dislocating people, is greatest potential threat.
9. Unsatisfactory education, even at desired levels for the poor, does not prepare them for employment.
10. There is a need for a national land policy instead of a laissez faire approach to land allocation.
11. Greatest need is to reverse the outflow of limited capital through reinvestment in job-creating industries or in the development of human resources.

Mr. Chairman and members of the Commission: The Grange appreciates this opportunity to add to the record of its continued expressions of concern for the impoverished conditions in which thousands of rural Americans exist and have existed during the 100 years that our organization has served rural America. If we have had any one concern that stands out above all others in this century of service, it is our sincere interest in alleviating the conditions in American life which set those who win their economic rewards from the soil apart from the rest of our economic society both in income and social benefits.

For 20 years, the Grange, in cooperation with the Sears-Roebuck Foundation, has spawned a hundred thousand projects utilizing millions of dollars and many more millions of volunteer man- and woman-hours all dedicated to improving rural and suburban communities across the land in our community progress program. I would like to request that an article on our community progress program from the pilot issue of the Grange Monthly be incorporated into my testimony here today so that the members of this distinguished Commission may more fully understand our work in this field.

A "dual economic system" where those who labor in industry have their earnings improved and protected by law and by organizations—which is a relatively easy task for business and labor—and which continually permits their rural counterparts to lag far behind except in rare and occasional incidents of national crises, is not new in history. This disproportionate share of the wealth earned by the tillers of the soil being returned to those who do the actual labor, is also almost as old as time.

Conquest brought slavery to some and great wealth to others. Wealth, so established, seemed to generate more wealth, and in the case of slavery and serfdom, the wealth consisted of the ownership of human beings—a prelude to our modern form of capitalism.

The experience of the Hebrews as they were the slaves in the courts of the Pharaohs, and their vision of a higher moral order, carried with it some remarkable teachings concerning the acquisition and disposition of wealth. Not only was charity enjoined and the rich were required not to glean their fields in order that the poor might have the gleanings, as we read in the story of Ruth, but the original Hebrew law made strict provisions against the acquisition of wealth and property at the expense of unfortunate people, even to the redistribution of the land in the Year of Jubilee when the land went back to the descendants of the people who originally sold the land because of their own poverty.

It was the failure to comply with this law which caused the prophets to cry out against injustice and to threaten the nation with calamity when they said, "Woe unto them that tear down the fences and add fields to fields." The admonition of the New Testament that the poor are always with us was a statement of history and not a justification for our rationalization about situations in which we have the resources to correct but lack the will to proceed.

By this time, this Commission has undoubtedly heard numerous reasons for the poverty in rural areas and an equal number of reasons why rural America has been bypassed not only by superhighways, but by a fair share of those goods and services which are accepted as a part of the just and deserving compensation for the labors of the rest of our society. The benefits of a rural environment enable us to justify the rearing of our children in the country, but the denial to these children of the normal health and educational services which assure them a chance to achieve equality with the rest of our society is an extremely high price to pay for the privileges which come with isolation and the association with nature.

Evidence is abundant that the quantity and quality of education, training, health, housing, welfare programs, and antipoverty efforts fall short for rural Americans when compared with the Nation as a whole. Rural people receive the benefits of a natural environment, but in almost all areas their access to manmade cultural advantages, including libraries, live music, and locally oriented communications media is limited. There are special problems of supplying each of these services and amenities in rural areas, and the problems are particularly serious for education despite some progress in school consolidation.

Three common problems occur in supplying services and amenities in rural areas. *First*, there is the income problem. Rural Americans are deficient in education, health, housing, and other services partly because their incomes are low. Incomes of nonfarm rural people are above those of farm people, but both groups are substantially below the national average. Even if incomes were equal to those of people in urban areas, amenities and services available to rural Americans would still lag because of the other two common problems.

Second, there are community problems. The availability of services and amenities depends on group decisions affecting the amount and kind of spending to supply them. Rural communities do not have ready access to able technical help in planning. Among impediments to group action is the necessity of obtaining cooperation of several units of government to have sufficient operational size for programs requiring large expenditures.

Third, there are the costs of sparsity. Mainly because of higher transportation costs, low density of population increases the cost of supplying a given level of services per person. Furthermore, sparsity of population reduces the tax base which can be used to finance the supplying of the services.

Rural America contains heavy concentrations of underemployment. Underemployment occurs when people earn less than their potential because their nominally full-time occupation is really only seasonal or because, when they do work, they use inefficient methods of production from which they receive little income. Underemployment can be measured by translating it into the amount of unemployment that would result in a similar loss. The unemployment equivalent of underemployment in rural America was estimated to be 2.5 million in 1960.

Low incomes in rural America, in part, reflect rural poverty. About half of all poverty in the United States is rural. Approximately 1 in every 16 persons in the Nation is in rural poverty.

There are several types of rural poverty. Especially heavy concentrations are found on small inefficient holdings in the economically lagging regions which include Appalachia, the Ozarks region, rural New England, and the Upper Great Lakes States. There are sharecroppers and independent owners on low income cotton farms scattered throughout the South. There are resident and migratory farm laborers. The incidence of poverty is high among the Spanish-speaking rural population and among American Indians. And there are rural poor scattered throughout the country in relatively prosperous areas. Much of the rural underemployment exists among middle-aged and older farm operators. The incomes of many in this group are so low as to put them in poverty.

The causes of poverty are varied and interacting. A small part is due to physical and mental handicaps. A more substantial part can be cured by a high overall national employment rate, especially if it is sustained over several years. There are harder cores to the poverty remaining after one accounts for that due to innate personal handicaps and lack of overall employment opportunities. The poverty of many farm families is confined to one generation. Sons and daughters tend to find their way out into productive, higher earning occupations, even though parents approaching middle age do not themselves make such changes.

An even harder core of poverty goes on from generation to generation. Members of the intergenerational poverty classes include those who are so culturally disadvantaged that they have not been equipped to become fully participating members of society. Also included are members of older, self-insulating cultures which protect themselves from new ways. Hard-core rural poverty is more self-perpetuating than hard-core urban poverty because of its geographical concentration, which affects attitudes and group efforts for entire areas. The lack of ability of a person in poverty to help himself extends to a lack of leadership in helping to better the group.

Not even those in the hardest core intergenerational cycles of rural poverty are completely locked in. Young persons from all ethnic groups are choosing to enter into the mainstream of American life in preference to strict adherence to the ways of their parents. What is true for them is true to an even greater extent for other persons above and below a poverty level of income. As a Nation we are becoming more alike. All groups are tending to meld into a higher income, similar way of life.

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Finally, there are the rural poor who, for a variety of reasons, have not been successful in farming or some other rural enterprise, but are living among relatively prosperous neighbors in nondepressed areas.

How is rural poverty different from urban poverty? In many ways there is little difference; the rural and urban poor have many of the same characteristics. However, rural poverty is unique in its magnitude, geographic distribution, and relative insulation from the mainstream of the economy. Because of dispersed residence and sparse population, rural poverty is relatively unobserved by the general public.

Rural poverty is caused mainly by a long-term, secular, structural change that has reduced employment in farming and in relatively stable or even declining area nonagricultural jobs. This situation has been accompanied by high birth rates. Adjustments requiring mobility by rural people are made more difficult by limited occupational experience, by other obstacles to mobility, and by problems of a shrinking rural population and tax base. These conditions have created the large geographic areas in which a major proportion of the population suffers from prolonged poverty. Circumstances of this kind make it difficult for rural local governments and organizations to deal with problems of poverty. In contrast, most urban centers have poverty pockets or slum areas existing side by side with affluence and with a great deal of organization, governmental and nongovernmental.

Rural poverty is of special concern since much of the Nation's total problem originates in a rural seedbed. For several decades, farm and nonfarm rural people have fed into urban centers. From 1950 to 1960, taking into account the 1960 change in census definition of farm residence, the movement of farm population to nonfarm areas was probably of the order of one million annually. These migrants were mostly young; many had relatively low levels of educational attainment, limited skills and occupational history, and few economic resources.

Considerable work has been done in identifying and locating the rural poor and in pointing out some problem relationships. But basic human poverty problems, their income and welfare interrelationships, the dynamics of change, and the relevant socioeconomic causes have been relatively neglected in research. To overcome the existing knowledge gap is a requirement and a legitimate objective of an all-out attack on poverty. This should include: Analyses of the principal area poverty typologies, in which poverty characteristics and their causal relationships would be investigated; analysis of well-being of various rural groups; and inquiries into techniques, organization, management, and effectiveness of program approaches.[1]

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[1] "Rural People in the American Economy." Agr. Econ. Rpt. 101. Econ. Res. Serv., U.S. Dept. Agr., Oct. 1966.

This, in my judgment, is an excellent report, but only a summary. However, the Grange must take some very serious exceptions.

First and foremost, is the concept that further analysis is needed. This may be true but only to a degree. We have been analyzed, scrutinized, observed, dissected, computerized, until these characteristics are as well known as those of Pavlov's dogs.

The suggestions which we ordinarily get leave me a bit cold—even though I have some background in and considerable respect for the fields of economics and sociology. Let me quote one:

> There are few if any social influences that do not in some way influence the general process of economic development. The almost total lack of empirically derived information in this field dictates that research must be guided, in large measure, by theoretical considerations; that is, by hypotheses of those social scientists charged with studying social phenomena.[2]

In our judgment, a very strong case can be made against many of the agricultural economists because of their absorption with the problem of analyzing the trends which have been obvious to any casual observer for the last century. Their general failure to recommend any change except adjustments to these trends has cast a shadow of fatalism over the rural community that is unmatched in any other segment of this dynamic American life.

The economists for labor and industry not only outline the trends, but they advise in practical and positive ways the specific actions needed to counteract the adverse forces involved. When labor is told by industry that automation is the wave of the future, their economists do not go to their membership and say, "We are sorry, but we are going to have to watch a third of you lose your jobs and there is nothing we can do about it."

On the other hand, when it is apparent that there is an increasing concentration of wealth and economic power in fewer and fewer hands in the agricultural sector, the only advice we get from many of those who should be giving us recipes on survival are that farmers must grow bigger and bigger with the trend or else drown in this ever-increasing tide. A nationally known economist who specializes in the dairy industry, only a few years ago gave us the sage advice that the only way to survive in the dairy industry was to set up farming organizations in which each producer could handle 100 dairy cows. In a continually declining low-price milk situation, the best advice that the dairymen could get was to produce more and more for less and less, the implication being that when they became so efficient that they could produce all of it for nothing, they would get rich.

The whole concept of equality of income breaks down at the point of considering the time and the investment necessary to get this equality. I know good farmers today who have an equality of income with their city cousins. However, I also know that they work a 7-day week at an average of 16 to 18 hours a day. There must be better answers to the problem of rural income—the heart of the problem of rural poverty. The question we have the right to ask our economist friends is "How can we make the same kind of living with the same investment of money and time that the rest of our society is able to receive?"

This has been the heart of the rural poverty problem and remains so. The goods and services available to the rest of our society are still available for rural people at a price, despite the fact that rural areas are more sparsely settled and harder to service. The price that is reasonable for our city cousins is out of the question for much of our rural society where we have seen parity of farm prices only three times in my lifetime, and then only during periods of war.

From the beginning of the organization of the Grange, we have continued to fight the monopoly hold which giant business structures have had over rural America. This situation, again, is as old as our modern industrial and economic system. It was the basis of the colonization by the Western World, the old slavery in the South, and it has been the basis of the modern type of slavery in both the South and the North. Let no man among you believe that all the exploitation of labor has been in the South, bad as that has been there.

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[2] See footnote 1.

Today, the problems of monopolies which we faced outside agriculture 100 years ago have been changed until, at present, monopoly is within agriculture itself. The whole drive for vertical integration in which the farmer becomes a peasant locked into an economic system by investments made in relationship to contract farming presents a modern type of serfdom. Giant monopolies of land, once dependent on hundreds of people for labor, suddenly and dramatically mechanize and spew their no-longer-needed labor on the highways and byways from which they find their way into the cities and create situations such as those we have seen in Watts, Detroit, Harlem, and even threaten the very peace and stability of the Nation's Capital.

Attempts to alleviate some of these situations by the Area Redevelopment Administration met with extremely heavy resistance from those who consider the rural areas as a continuing wellspring of cheap labor. When we were trying to get approval of the Rural Community Development Program, giving rural areas some of the planning assistance long available to our urban areas, the representative of the Chamber of Commerce of Jackson, Miss., strenuously opposed the suggestion because it might lead to the dispersal of some of our centralized industries with plants moved into rural areas. This appeared to be a threat to both the tax base of the industrial city and to the supply of cheap workers available for existing industries.

The attempts to improve farm income through the use of the instrumentalities of government, long used by both industry and labor, have been consistently opposed by the U.S. Chamber of Commerce. In the fight for survival, our educational systems have been inadequate, our churches have been impotent, and our presses have been strangely silent.

Several facts remain paramount in our consideration of this problem: First is that those who have created wealth have not had their share of the wealth they have created. This wealth has flowed out of the rural areas into our urban centers and industrial and financial centers without a proportionate return to the areas from which it came. It has gone out in terms of low prices for farm commodities; it has been exported in investments in education, inadequate as they were, and it has been withdrawn in a tax system requiring each generation to pay inheritance taxes as a part of a complete economic situation where each generation of farmowners must recapitalize and pay off the indebtedness on their investment during one lifetime.

If the people of the United States would give the same consideration to the imbalance of payments in agriculture that they give in terms of our international monetary exchange, we might begin to find some answers. In this connection, the export of American agricultural products during this last year resulted in net earnings of twice as much gold as the export of any of our major industries—the largest being the aircraft industry. The export of rural wealth has made the same contribution to the accumulation of wealth in the cities.

The failure to enact adequate wage and hour legislation in agriculture permitted the exploitation of one group at the expense of another until farm wages were driven to unconscionable levels in the midst of an affluent society. Much of the so-called and highly proclaimed efficiencies of our large agricultural establishments were not because of basic economic efficiencies, but because of the exploitation of labor. It is an interesting phenomenon at the present time that some of the most successful dairy farms in the nation are now suddenly going out of business when they are required to pay the modest minimum wages that were enacted in the recent legislation. To pay labor the equivalent of 35 cents an hour for attending 50,000 broilers, with the knowledge and skill required to keep them growing efficiently and free of disease, is an anachronism at a time when men who do not even own their shovels are getting $3.50 an hour for digging ditches.

The failure to have a decent and meaningful land policy based on any concept except the continued acquisition of land by large landholders has created a part of our problem as well, and still remains a major problem in the solution to rural poverty. At the same time we are insisting on land reform in many countries of the world as the basis of our AID programs, and in light of the fact that it was the monopoly of land that led to the Communist revolutions in many parts of the world, the United States continues to pursue the same policies without doing anything except rendering lip service to the concept of protection for the owner-operator and family-managed farm.

The entrance of large corporate structures that are able to defend themselves by monopolistic practices in agriculture has been especially detrimental to the poultry section of our nation and has contributed to an economic loss and social upheaval of major consequences. One giant syndicate recently built a poultry plant in a Southern State and in a poultry journal bragged about the fact that, taking advantage of the exemptions in the tax law for farmers, they had paid some $24,000 in taxes instead of $288,000 they would have needed to pay under the regular corporate structure.

Certainly, we must find a way of using the tax structure to protect the kind of American agriculture that has made us the "breadbasket" of the world or we are going to subject the world to the uncertainties of production controlled by giant corporations and heavily influenced by labor considerations. This would be a threat to the continuity of production which is the basis of agricultural life and would present a serious risk to our national security.

This witness expresses a personal and a nonpartisan, rather than an organizational, view when he points out his own appreciation of the fact that we finally do have a national administration that appears to be interested in the solutions to these problems, although we are not sure that their approach is the most effective one. We do believe, however, that somewhere in the field of such integrated planning as was available under the Area Redevelopment Administration and which was contemplated in the Community Development bill introduced last year and again this year, there is a possibility of the kind of planning which should be a part of any development in our rural life which finds the solutions to its poverty, in the improvement of income possibilities in the areas where people live rather than giving them the choice of going to the cities offering the best welfare programs.

The Grange supported the Antipoverty bill in almost all aspects but especially its emphasis on attempts to remedy the educational deficiencies which are apparent in the rate of rejections by the Selective Service—rates exceeding 30 percent in some States.

The 1965 survey of "Hard-Core Unemployment and Poverty in Los Angeles" by the Department of Commerce of the United States revealed that of the 341,334 persons surveyed, 14,477 or 4.24 percent had no schooling whatsoever, and 32,180 persons had completed only one to four grades. Thus, 46,657 persons or 13.67 percent were functional illiterates. Their conclusions indicated that the illiteracy rate was probably worse than the 13.67 percent figure.

Even more surprising is the following statement concerning a study made in Cook County, Ill.:

> It found a significant difference between the highest grade completed and the actual functioning level of the recipients, determining that there was no grade level at which the average achievement score equaled the highest grade completed. Although there was only a 6.6 percent proportion of its study group classed as functional illiterates on a grade-completed basis, this 6.6 percent jumped to 50.7 percent who, on the basis of tested achievement, actually functioned on a level of less than 5 years of school completed. This disparity was even more extreme in the case of persons who received their education in seven Southern States.[3]

This perhaps explains why the Los Angeles survey showed that of the currently unemployed males, 25.5 percent of all males and 30.3 percent of the Negroes had received 12 grades of schooling. The percentages were even higher among females with 28.3 percent of the total and 41.8 percent of the Negroes having completed the 12th grade. On the other hand, only 13.6 percent of the males and 15.1 percent of the females among the Mexican Americans had completed the 12th grade.

Federal aid to education funds, we are afraid, will not find their proper application in the areas of greatest need and, for that reason, we are not proposing to support the distribution of a percentage of Federal income to the States. A specific approach aimed at specific educational deficiencies is needed. Add to this some remedies for inadequate housing, including the lack of pure water and sanitary facilities, although a start was made to answer these latter problems by the passage of the Rural Water Systems bill in 1965.

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[3] "Hard-Core Unemployment and Poverty in Los Angeles." U.S. Dept. Commerce. August 1965.

In hundreds of areas, medical service is nonexistent, primitive, or extremely inadequate. Hospital facilities are scarce, public health services on a skeleton basis, prenatal and postnatal care nonexistent.

Wornout land, denuded forests, worked-out mines, lack of alternative employment opportunities, hopelessness, dejection, despair are the rule rather than the exception in the rural poverty areas.

We realize that the solution to the poverty problem is not simple, nor are the funds that are necessary self-generative. We must recognize the validity of Professor Rossiter's thesis that before there can be an economic take-off such as we envisage for these impoverished people, there must be an influx of "social overhead capital" that comes from outside the area that is being helped.

Some of this can come from businesses willing to locate expanding production facilities in areas where the hard-core poverty exists and to provide adequate training programs to enable the people who are in these areas to equip themselves by training to participate in the manufacturing processes of a modern technological industry.

In the final analysis—and it is at this point where there is the greatest resistance—the only money available in sufficient quantities to help generate the kind of industrial and economic take-off that will lead to the incentive for education, the resources for a decent society, and incomes that will assure some of the good things of life as well as the basic essentials, is that which comes from the Federal Government.

The Grange has not been among those who have objected to the aid which has been distributed to countries beyond our own borders to help them begin to obtain the kind of economic take-off, both in agricultural and industrial production, that eventually not only makes them our political friends but our economic allies. However, we blithely vote billions of dollars for foreign aid and make a major issue when an REA cooperative has loaned enough money to a ski resort to help them build the kind of equipment enabling them to run a modern and highly profitable establishment and, at the same time, making the REA's more self-sustaining and creating job opportunities in areas where there is little opportunity for additional employment. We properly send the USS *Hope* around the world while the "ship of hopelessness" sails the backwaters and bayous of the United States.

In the final analysis, what we do need is massive public support for the kind of programs in sufficient size to get the job done. We will need the patience to recognize that as we embark on these programs mistakes will be made, but mistakes do not of necessity condemn whole programs. Unfortunately, some of the mistakes have never been profitably utilized, but have been the basis only for destroying programs that had potential for great good in our rural areas.

Finally, and most important, until this nation becomes mature enough to abandon its "cheap food policy" in which an affluent society is subsidized by an impoverished rural America and other rural people of the world; when common justice demands that the people who work on the land and who produce food be paid in proportion to their contribution to the national welfare; when, as in words of old, "justice shall roll down like the waters," then we will begin to answer the problems of rural poverty. In the meantime, nostrums and panaceas may well keep us busy and allow us to close our eyes to the great issues, but the price we shall pay in social upheaval and political unrest will be far greater than that which we would pay for an adequate investment in the future of rural America and the protection of our urban social and economic structures.

The objectives of the Grange were stated 93 years ago in "The Declaration and Purposes of the National Grange." In this context, they declared:

> We desire a proper equality, equity, and fairness; protection for the weak; restraint upon the strong; in short, justly distributed burdens and justly distributed power. These are American ideas, the very essence of American independence, and to advocate the contrary is unworthy of the sons and daughters of an American republic.

In the midst of the political unrest in the rural areas around the world, we might well remember the words from the "Deserted Village": "But a bold peasantry, their country's pride, when once destroy'd, can never be supplied."

STATEMENT SUBMITTED BY SAR A. LEVITAN, GEORGE WASHINGTON UNIVERSITY, WASHINGTON, D.C.[1]

The goal of a poorless society is hardly a new idea. If there is any clear lesson that can be derived from the recent emphasis and effort on combating poverty, it is that the tools to fight poverty are still in doubt. And this is especially applicable to rural poverty, not that we lack hortatory or facile "solutions."

An examination of the existing welfare programs, to the extent that they are subject to appropriate evaluation, indicates that many of these programs often fail to meet intended goals. The perversity of agricultural programs which are especially germane to this Commission is legend. Price support programs have enhanced the income of commercial farmers and agricultural corporations, but have done little to provide income maintenance for marginal farmers. Whatever the merit or justification of these multibillion dollar programs may be, it is obvious that they are not aids to reduce poverty. Frequently, the opposite is the case.

It is particularly ironical that the rural poor get less than their share of food distribution, food stamp and subsidized lunch programs, measures intended to aid the farm population. The food stamp program is available in many affluent counties but not in some of the poorest counties. Only about half of the 300 poorest counties participate in the direct food distribution program. Similarly, free or subsidized lunches for schoolchildren are not available in many rural areas.

The relevance of the recently inaugurated antipoverty program to rural areas is also questionable, or at least limited. Experience has shown that most rural areas have failed to receive their full share of funds allotted to them on the basis of need. The problem is not only the lack of rural sophistication in the art of grantsmanship, but is also inherent in the lack of facilities and unavailability of "delegate agencies" which would undertake the administration of antipoverty programs. Other shortcomings are also inherent in the Federal legislation. For example, under the Elementary and Secondary Education Act nearby Montgomery County in Maryland, or Westchester County in New York, receive three times more funds per poor child than most rural counties.

But it would be a mistake to conclude that inadequacy of funds available under existing antipoverty measures is their sole shortcoming. Frequently heard assertions that all we need for a successful War on Poverty is additional Federal dollars remain to be tested. At least one Federal program, the Job Corps, has not suffered for lack of funds. Not only have Federal expenditures per enrollee in this program been generous, but the short experience of this program has shown that the Job Corps cannot even fill presently existing facilities and a major problem of the Job Corps is to secure an adequate number of enrollees, under present budgetary allotments.

The major economic problem of rural areas has been inadequacy of job opportunities. Migration to urban areas has been a solution for some of the surplus labor. But mass migration has intensified the problems of metropolitan areas and many of the new migrants who have swelled the inner cities and slum areas have found difficulty in maintaining sustained gainful employment in their new location because of deficient education or other handicaps.

To reduce pressures of migration upon metropolitan areas and to ease rural mobility, economic planners have favored decentralization of economic growth and expansion, bringing jobs closer to the rural unemployed and underemployed. Nearly 6 years of experience with the Area Redevelopment Administration, Economic Development Administration, and related regional development programs have indicated the intractability of rural depressed areas and the difficulty of channeling jobs into these areas. While the concept of bringing jobs to depressed areas has considerable appeal and can be justified on the basis of economic and social considerations, I doubt that these programs can ever work on a mass basis. During periods of overall high employment, as was experienced in the early ARA days, it was difficult to channel industry to rural depressed areas when unemployed trained workers were going begging for jobs in urban areas. Development of labor shortages in the past year has created demand for immediate supply of labor in areas where job vacancies already exist, and fear of intensifying inflationary pressures discourages the investment of social capital to develop new growth centers closer to the rural areas. It would therefore appear that reliance upon development of multiple growth centers within commuting distance of rural areas as a solution to the problems of unemployment and underemployment in the latter areas is a dream of social planners which is not likely to be realized unless we experience a sustained full employment economy over several years, not based on crises and defense needs.

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[1] Mr. Levitan was with the W. E. Upjohn Institute for Employment Research when he prepared this report. The Institute shares no responsibility for the views expressed here. This statement is part of a study, "The Great Society's Poor Law: A New Approach to Poverty," devoted to an evaluation of the Economic Opportunity Act and financed by a grant from the Ford Foundation.

But the needs of the rural poor are also pressing. And any deferment of meaningful help assures the perpetuation of poverty unto the next generation. The first step to offer a meaningful attack on poverty in rural areas must be the improvement of educational facilities in these areas. This would require the expansion and improvement of physical facilities as well as the bolstering of the quality of education. Considering the meager resources of rural areas and the inability of States to provide the necessary funds to improve the quality of education in rural areas, only massive allocation of Federal funds can accomplish the desired goals. In the immediate future and in light of our increasing defense commitments, allocation of increased Federal aid for education is not a promising expectation. However, when our military commitments in Southeast Asia decline, aid for education should assume a top priority among Federal commitments.

Meanwhile, limited Federal funds can be used effectively for dissemination of birth control information and devices to reduce the number of unwanted children among the poor and the candidates of a future generation of poverty.

But the children of poor families need not only education but also sustenance. The facile solution which has become popular during the past few years is expanded provisions of income maintenance, through a negative income tax or similar scheme. Aside from the high cost, I see many problems in this type of solution for the unemployed. When applied to rural areas, the problems may be compounded. The major merit of a rational income maintenance program is that it would provide to able-bodied persons the opportunity to work and increase their income above the minimum guaranteed by the government. This is only meaningful in areas where jobs are available, but in rural areas where there is a surplus of manpower an income maintenance program will remain for the bulk of recipients the only source of support. It would reduce the incentive to migrate and perforce create a large sector of the population dependent upon the dole.

A more constructive alternative would be for the government to assume the responsibility as "an employer of last resort," to borrow a phrase made popular by Prof. Garth Mangum and the Commission on Technology, Automation, and Economic Progress. There are ample useful chores that even the unskilled workers can perform in any community and, in addition, pick up work skills that would be helpful to them when they migrate to areas where jobs are available. A basic component of the publicly funded jobs must be provision for adult basic education and some form of training. But lack of facilities in many rural areas preclude the probability of offering these services.

Beyond the more immediate work experience accompanied whenever feasible by basic literacy and training, a realistic program to combat poverty in rural areas would have to rely upon mobility. Despite rapid declines in the farm labor force, experts anticipate that about one-half or less of the total farm labor force is needed on farms. This solution becomes feasible only when overall high employment prevails and jobs are plentiful, forcing employers to reduce hiring barriers. Dr. C. E. Bishop, the Executive Director of this Commission, has suggested that migration from farms is inversely related to unemployment in the nonfarm economy—the former increases by 6 percent for each 1 percent decrease in unemployment. In some cases, mobility might involve moving to the nearest growth point, but it is "pie in the sky" to expect that enough local growth centers could be developed; and many of the rural poor will have to look for their fortunes in more distant urban centers.

There is, of course, a great deal of migration from rural to urban areas going on without government assistance. These waves of migration follow certain patterns and lack rationality. The result is that many of the migrants fail to acclimate in their new urban environment and some return to their original homes. There is a need to plan migration, attempting to channel the migrants to areas where there is a demand for their labor. This is particularly true in the present labor market. The first step in migration assistance should therefore be extended before the movement takes place, advising potential relocatees regarding job availability, suitable for their limited skills, in expanding areas.

Once migration takes place, there is need for new institutions to help the migrants find suitable temporary housing facilities with built-in counseling not only to assist the migrants in finding employment, housing, school facilities and other essential services, but which will also aid the rural migrants to acclimate in their new urban environment. There is nothing new in this proposal. This is exactly what was done for the Hungarian refugees a decade ago and more recently for Cuban refugees. Except for a few demonstration projects, funded by private or public sources, rural migrants have not received the same type of help which was extended to refugees. The demonstration projects have shown the type of services and assistance that should be extended to rural migrants. The need is for expanding the demonstration projects into larger scale programs.

No doubt, large-scale relocation would continue to create problems for metropolitan areas, even if needed assistance is offered to rural migrants. But if the choice is between long-run, possibly lifetime, reliance upon some form of public assistance in a stagnant or declining rural community and opportunity for gainful employment involving relocation, the policy decision seems to be clear.

Many will oppose placing emphasis upon relocation and mobility as a means to combat rural poverty. However, the purpose of this Commission, as I understand it, is to examine hard facts. Considering national commitments and competing priorities, it is quite clear that in the immediate future existing programs will provide only limited help to the rural poor. Migration assistance in a high employment economy is possibly the most effective program in the short run, and the costs are manageable, given the present budgetary constraints.

STATEMENT SUBMITTED BY BARBARA MOFFETT, AMERICAN FRIENDS SERVICE COMMITTEE

Mr. Chairman and Commission members: My name is Barbara Moffett. I am secretary of the Community Relations Division of the American Friends Service Committee. I am accompanied by Eleanor Eaton, assistant secretary of the division, responsible for rural programs; by Pamelia Coe, national Indian program representative; and by William Channel, director of our east coast migrant leadership education program. I appreciate being asked to present this testimony on behalf of the American Friends Service Committee. I speak for that Committee and for many like-minded Friends. However, no single body can speak officially for the Quakers, the religious Society of Friends.

The Experience From Which We Speak

The American Friends Service Committee (AFSC) is this year celebrating its 50th anniversary. During these 50 years the Committee, through its volunteers, its committees, and its professional staff, has been involved in efforts to help rural people find a way out of poverty and deprivation in literally hundreds of communities around the world. For some, such as the peoples of Korea, Algeria, or the Gaza Strip, poverty was exacerbated by war or revolution. Some had never been far from starvation as are so many of the villagers of India and Mexico. In the United States, self-help and community development programs among textile workers in North Carolina, unemployed coal miners in West Virginia and Pennsylvania, and Negro farmers in South Carolina date back to the 1920's.

Currently, through our community relations division, we have staffed field programs among farmworkers, settled and migratory, in Tulare, Fresno, Ventura, and Kings Counties in California, as well as in Florida, New Jersey, Pennsylvania, and New York; we have staff at work with the San Carlos Apache Indian Tribe in Arizona, with the Northern Cheyenne Tribe in Montana, with various tribes in southern California and in the State of Washington, and at Intertribal Friendship House, serving members of over 90 tribes who have sought employment and a new life in the Bay area of Oakland and San Francisco, Calif. In North Carolina, South Carolina, Georgia, Alabama, Mississippi, and Louisiana, AFSC staff is in close contact with rural Negroes and in Texas with Mexican-American families who are seeking to break out of the syndrome of poverty and discrimination. It is on the basis of this extensive and continuing grassroots experience that we speak today.

Rural people are, in the main, scattered and unorganized, unable to exercise influence for programs comparable to their need. Rural areas have to date presented no serious threat to the peace, as has violence born of despair in the cities, but mass violence is just below the surface in some rural areas. Furthermore, the use of violence and the threat of violence to discourage rural people from exercising their rights and improving their condition is documented over and over again in Southern States.

Statistics show the degree of unemployment and underemployment in rural areas, the urgent housing needs and conditions, low income levels, the lack of public and private services that characterize most rural areas, and the patterns of forced migration which so clearly link the problems of rural and urban poverty.

The disparity between the needs in rural areas and the size and number of antipoverty, manpower, and welfare programs in rural areas and for rural people are also well documented.

We will, therefore, concentrate in this testimony on suggested remedies for specific human needs with which our various programs have sought to deal. As we said in testifying before the Special Subcommittee of the House of Representatives Committee on Education and Labor in 1964, when the Economic Opportunity Act was being drafted, "There is no poverty in the abstract, only poor people, with many problems. . . ."

What We Recommend and Why

I. Congress and the executive branch of the Federal Government must commit themselves to an attack on poverty which recognizes the need for broad Federal planning and policies designed to bring Federal benefits to *all* citizens, massive Federal resources both of funds and of technical assistance directed to the rural poor, *and maximum development of local leadership and organization* through encouragement of independent, locally initiated and administered programs operating in accordance with Federal policy.

The War on Poverty has been both piecemeal and puny. It promises to be even more so in the year ahead, with cutbacks in funds, especially in the rural sector, and an apparent lessened Federal commitment to deal with the related issue of racial discrimination with its resulting inequality of access to the benefits and decision-making centers of our society.

We deplore the trend in Congress and the Office of Economic Opportunity to back away from programs which stress the organization of the poor to solve their problems in innovative ways. Limitations on funds available for community action programs and emphasis on prepackaged programs that eliminate local leadership involvement are in our view a serious step backward in the War on Poverty.

Our experience demonstrates that in rural areas where those in need and those with on-going relationships with them have themselves organized and implemented programs according to their own needs as they see them, the climate of despair turns to one of hope. Leadership has developed and improvements have been made.

The recognized success of CAP programs on some Indian reservations are notable examples of this development of the local leadership so desperately needed as one element in the nation's War on Poverty. Our staff working among the San Carlos Apache Tribe writes that at San Carlos the predominant attitude of the people on the reservation *has* been, "What's the use? Even if we did this, no one would listen. We can't really do anything about it anyway." With the advent of a CAP program of considerable scope which involves the Indian poor, supported by the local power structure (the Tribal Council) and predominantly staffed by Indian people, things have changed.

There is continuing interest. Volunteers meet weekly, self-help projects are initiated and carried through. Some of these self-help projects, for instance the Tribal newspaper and the Neighborhood Youth Corps projects, are expansions of work started initially by local people with AFSC assistance, but without adequate financial base. Others are new.

On the other hand, "top down" implementation of programs, without full participation of those whose needs programs are designed to meet, has not been successful. Channeling of programs through previously uninclusive and undemocratic bodies has also often defeated their purposes.

An adult education program at San Carlos, using VISTA volunteers working under the direction of Indian committees, was successful. When the program was taken over by local school districts, notably unrelated to Indian interests, Indian participation quickly disappeared.

A Head Start program on the reservation provided a real opportunity for Indian parents to become involved in the process of learning their children are undergoing. A threat to put this program under the State school system is viewed with alarm, our staff reports. Parents feel they will lose their voice in the program.

In Mississippi, the involvement of poor parents and adults in the Head Start programs of the Child Development Group was so basic and thorough that when funding was withheld, these people, poverty stricken in the extreme but rich in leadership qualities, continued many Head Start programs on a volunteer basis rather than turn them over to others or let them die. Holmes County in the same State provides an example of what we mean by the value of local leadership development and organization. Here there is not only a climate of hope but a thriving community center, an emerging cooperative, cooperative home building, and a growing potential for cooperation between the poor and those economically more successful, both Negro and white.

Contrary to its intention, the OEO requirement of a broadly representative organization prior to program development and funding has stymied local initiative and participation by the poor. This is, of course, particularly true in areas of intense racial discrimination and segregation, not only in the South but in rural areas in other parts of the country as well. White and Negro participation as equal partners in an attack on poverty is not feasible in many areas, and insistence upon broadly representative groups in such areas results in very little action against poverty.

In the Black Belt counties of Alabama there is not one community action program and only two OEO funded efforts—these funded under Title III-B in Lowndes and Wilcox Counties. As one Negro leader in the area put it, "You either have to 'Tom' or lie to get a program." Alabama ranks 11th in number of rural poor; it is 23d in the amount of OEO funds received. Most of these funds have gone to urban areas.

A successful attack on poverty in rural areas must include policies and programs which will develop rural leadership and enable it to stay on the scene. This will take the combined efforts of the many governmental agencies which impinge on the problems and lives of the rural poor.

In many instances when local leadership has emerged in southern rural areas, political, economic, and hostile social forces have combined to "encourage" such leaders to emigrate to northern and western cities regardless of their ability to adjust to urban society. Young people, from the South, from Indian reservations, from Spanish-speaking villages in New Mexico, from rural South Jersey, frustrated in efforts to get jobs or a decent education, have, sometimes with encouragement from their parents, sought their future in urban areas. Others seek status and good pay in the Armed Forces. Leadership is being drained off.

We would like to cite two specific instances here—one in a rural southern county and one from the San Carlos Apache Indian Reservation in Arizona.

In a Mississippi county, a Negro family, leaders in their community, had applied unsuccessfully to a Federal agency for assistance in securing their own home. In discussing the case with one of our staff, the Government official suggested that instead of trying to improve their situation locally they should go to Detroit "where with his skills he could earn $3.25 an hour."

Our staff in San Carlos, Ariz., writes:

> The Bureau of Indian Affairs has had for over 10 years now a

> program of relocation (now called Employment Assistance) of Indian people to major urban areas for employment. The BIA aggressively recruits the most acculturated, those who can best adjust, and those with the greatest leadership potential. The leadership gap on the reservation is obvious. The Bureau of Indian Affairs fills the leadership gap with non-Indian or non-Apache leadership.
>
> The lack of jobs (75 percent unemployment) on the reservation does not encourage leadership to remain or develop within the community and thus hinders true, balanced community development.
>
> The leadership gap is evident at San Carlos when it is seen that not *one single Apache college graduate* is on the reservation. The problems of locating secretaries, accountants, etc. from the Apaches to work for the Tribe are compounded by the competition of salaries which can be offered them by the BIA or in the cities. The gap in community leadership below the Tribal Council level results in most problems being funneled to the Tribal Council for solution. In addition, there is frustration in the community of not being able to get what they want done, of having to rely on non-Indians to get leadership, and of breakdowns in efficient management of tribal assets for the benefit of the community.

Two final thoughts on local leadership development and local responsibility. Some local leadership may fail or be misguided. We should expect a degree of failure. Successful local organization to meet the problems of the poor will find local opposition from those who have been comfortable with the status quo. This should be expected and local groups encountering it should be sustained by the commitment of the Federal Government and the nation to a successful attack on poverty. It will not be without its tension and conflict.

II. The opportunity to earn a steady income and participate in decisions affecting the nature and availability of such income is an urgent need of rural low income people. This means access to the means of production and equal access to jobs.

A. *Land for farming and supplementary income*

The current advance in agricultural technology, the ASCS programs which benefit the large landowner and give little if any benefit to the small holder, the tenant farmer, or sharecropper, the lack of enforcement of the 160 acre water law (Reclamation Act of 1902), the cost of equipment, marketing difficulties and the population growth whereby more and more farm land is being bought up for housing developments, make small holdings almost impossible to acquire or maintain.

The small farmer, whether owner or renter, has virtually disappeared in south Florida, California, Texas, and many areas of the Midwest. He is rapidly on his way out in the Southern States because of lack of access to land-related resources. Today, with the growing world need for food, the great number of people who know how to farm and like to farm but have not the skills for other work should not be cast aside. It is not enough to say "the family farm is uneconomic and is on its way out."

Our program experience attests to the needs and ability of such people. The migrant streams and the ghettos of our cities are crowded with families deprived of access to land as a means of production. And once these people are so uprooted, they become more and more poverty stricken and the escape hatch becomes more tightly closed. The growing number of people in tent cities further attests to the unavailability of land.

We *urge this commission to consider the needs of people now, not a theoretical situation 25 years from now.* (One Federal official said to us, "We just have to forget these people; there is no help for them until they can draw their Social Security 10 years from now.")

We do not suggest a return to 40 acres and a mule. *We do suggest a reexamination of government owned land policies and an exploration of the potential for an inclusive homesteading act,* whereby land for farming, small industry, and housing, equipped with water, sewage, and street financing, can be made available to low income rural people.

We recommend a program that will make available modest land holdings for farming through subsidy or tax incentives or long-term interest-free loans, coupled with locally based programs of research and experimentation *on intensive farming that will demonstrate what crops are high yield and require high labor input, can contribute not only to the world's food needs but to the elimination of poverty and dependence.* How can we make maximum use of our human as well as physical resources?

Our California staff writes on the basis of AFSC work and experience there:

> Small acreage farms can thrive in California, but heavy equipment investment is needed. Thus, *capital funds,* improved access to land, water and agricultural advice are needed.
>
> Farm labor families in areas where inadequate annual labor demand exists could supplement annual income through part-time farming, as many now do. This would tend to stabilize the labor force as well as improve living standards. Such opportunities, if made available extensively, could reenliven rural communities, form a basis for the establishment of small processing and service enterprises, lessen the influx of untrained, impoverished people to cities, and give new opportunities to farm laborers who because of age, language and cultural barriers, lack of education, have nothing to gain in the city.
>
> Many large holdings in the San Joaquin Valley are far beyond the size of optimum efficiency. New irrigation developments there are coming into prime agricultural lands where, without adherence to the provisions of reclamation law, the benefits will all accrue to large land companies. The reclamation law is not being enforced. The DiGiorgio Corporation in Kern and Tulare Counties signed recordable contracts 10 or more years ago to divest itself of excess land. Recently it sold some tracts, presumably complying with the law, but the land sold at prices between $2,000 and $3,000 per acre (the going price for land in full production with grapes, olives, or citrus) whereas reclamation law requires that excess land disposed of must be sold at dry-land prices. Enforcement of the law in this manner does not actually make land available to small, independent producers as was the intent of the law.
>
> The re-establishment of an extensive system of small holdings dedicated in perpetuity to agriculture could go a long way toward conserving land. California is a major agricultural area, yet it lost over 1 million acres to urban use since 1942, and at present rates will lose another 1½ million acres out of a total of 8 million by 1972.

Coupled with this is the need for fair adjudication and protection of *water rights* for the rural poor. For example, in northern New Mexico small previously productive farm holdings are often no longer viable because of the diversion of water to corporation farms and industries in the southern part of the State.

Threats to the water rights of Indian people are frequent. In southern California we have worked with the Soboba reservation which is the only landholder in the "take area" not yet compensated for water taken by a new metropolitan Los Angeles water conduit system built about 30 years ago. There was an abundance of good water on the reservation when the system was built; the present water supply is greatly inadequate and the best compromise now possible is probably that the metropolitan water system would allow the reservation to tap into the metropolitan system without charge for the hookup, after which the reservation would have to pay for water, which they had available free and in abundance originally. Other land in the area, for which compensation has been made, is now well watered productive farm lands. The reservation is barren and unproductive.

This is only the most dramatic of the water problems which plague almost all the reservations and rancherias in southern California.

Indian reservations throughout the United States have had great difficulty in establishing their right to water for agricultural and recreational development. The Bureau of Indian Affairs, which is trustee of the land and has been reasonably vigilant in conserving the land base itself, has been so lax in protecting water rights that it was a matter of great surprise when the Superintendent of the Fort Apache Indian Reservation in Arizona actually championed the Tribe's right to develop a lake on their own land, in the face of opposition from the powerful Salt River Water Users Association.

Currently at issue are the water rights of the Pyramid Lake Tribe in Nevada, who own a magnificent wilderness resource which is losing water at a rate which threatens the existence of the lake and limits its potential as an economic resource.

B. *Capital and direct loans at little or no interest for farm improvement* are a major need. Administrative rulings within the Farmers Home Administration, and inadequate appropriations weaken the potential of the Farmers Home Administration to help the rural poor. *We suggest a re-examination of the Farm Security Administration program of the 1940's* whereby 60-acre farms complete with house, well, land, 20 acres clear and 40 acres wooded were sold to displaced tenant farmers on 40-year mortgages. In Holmes County, Miss., many such farms begun in this way by Negroes are today viable and provide stable community leadership and a sound tax base.

We know a family in a rural Alabama county which had been successful tenant farmers for some years. On January 1, 1966, fire bombs (presumably designed to get the parents to withdraw their children from the newly desegregated school) destroyed their home and all their possessions. This farmer, in addition to providing for a family of 12, had been able to save enough cash from his tenant farm operations over a 5-year period to pay $3,000 toward the $3,750 needed to purchase 40 acres of farm and timber land. After the fire he applied to the local Farmers Home Administration for a farm development loan and a loan to build a house. His ASCS cotton allotment was 3.4 acres. He was refused a loan for his house on the grounds of insufficient income. He was given no farm development loan, only the pious hope from a top USDA official that "they could increase their income."

Private funds for housing and farm improvement are not available. No initiative is forthcoming from the USDA to help the family make their 40 acres viable through intensive farming, wise use of timber, etc. We can cite similar examples of lack of positive, coordinated assistance to low income Negro farmers in other southern counties and States.

We, therefore, *strongly urge this Commission* to *reevaluate the ASCS and other policies of the USDA as they affect low income farmers, both in terms of allotments and services.*

In many cases the legislative authority exists by which executive agencies can meet the challenges of rural poverty but, too often, bureaucratic rivalries, lack of coordination and lack of determined, imaginative staff work at the local level frustrate and negate this authority.

C. *Small, locally relevant, nondiscriminatory industry* is an urgent need. We recognize that this will require Federal planning, low interest financing, perhaps some subsidy and a coordination of Federal, State and local efforts in a cooperative spirit to provide the land, the power, the public services and roads. On-the-job training programs can in most instances be provided either by the industry itself or by small specific short-term efforts.

Rural areas have resources to offer small industry. Clean air and water and a labor pool are some of those. We suggest, however, that the focus of the Commission's recommendation be *not* primarily on what industry needs but on what the people and the area need. National planning is needed. National planning that will give the poor and underemployed access to the means of production is as logical as national planning of recreation areas, highway systems, etc. We were told that one agency of government could not assist a group of individuals to utilize land they had secured for home building because there were no jobs nearby and they might have to move for employment.

Private efforts are struggling against great odds to create such job opportunities. The successful creation of a silk screen operation in Taliaferro County, Ga., providing jobs for over 25 people would have been greatly facilitated by Federal assistance. But here, as in rural areas of the Northwest, the urban mentality and orientation of the Small Business Administration has limited assistance from that source. The Economic Development Corporation appears to have more understanding of rural needs and opportunities and should be strengthened. But again this resource has not been available to a local group of people in Greene County, Ala., who have developed a cement block factory which will not only provide materials for self-help housing projects but is developing a commercial market at a competitive cost.

The Bureau of Indian Affairs economic development effort is praiseworthy in its effort to develop industry on reservations, but the effort has been hampered by lack of investment of private capital in Indian enterprises because of special restrictions on Indian land. Some 50 industries have been attracted nationwide, most of them requiring fine hand-eye coordination in which Indians have excelled because of their crafts tradition.

Tax breaks, factory construction and many other gimmicks are being used to lure northern industry to southern cities. We suggest that economic incentives to the poor themselves to establish and develop relevant industries in rural areas deserve serious study. The placing of government contracts to industries in or accessible to rural areas should be aggressively pursued. The Federal Government through its contracts has the power to encourage or require subcontracting to areas of rural need.

D. *Special Indian hunting and fishing rights should be protected.* Such rights, often mentioned specifically in the treaties whereby Indian tribes ceded large portions of the United States to the Federal Government in return for certain services and undisturbed enjoyment of the small remaining proportion of their land and property, are under attack today in many parts of the country, notably the Pacific Northwest, the Great Lakes States, and Oklahoma. To local game and fisheries enforcement agencies the existence of a group of citizens with special privileges may seem to pose an intolerable obstacle to the development and enforcement of a rational conservation program. However, in our experience, Indian groups, particularly those which still depend in large measure for their subsistence on hunting and fishing, are more aware than most non-Indians of the vital importance of conservation of game and fisheries. Approached in a cooperative rather than a punitive spirit, they will take advantage of opportunities to improve their hunting and fishing resources.

The AFSC recently conducted a survey of the controversy over off-reservation fishing rights of Indian citizens in western Washington State. From talking with a large number of concerned Indian people, as well as the appropriate State and Federal officials, the AFSC drew conclusions and recommendations which we believe would apply broadly in any situation where treaty-based hunting and fishing rights are being threatened by non-Indian interests.

Our preliminary report is attached to copies submitted to the Commission. We draw your attention particularly to pages 7 and 8, points II, B through F, and III, A through F. Additional copies are available on request.

III. The nation must address itself in earnest to the "goal of a decent home and a suitable living environment for every American" set forth in the Housing Act of 1949. In the rural areas of America shelter is a problem second to none. It is composed of such factors as lack of access to land, unavailability of loans, and requirement for local housing authority or local government approval of public housing projects. The problem is compounded by the prevalence of employer-owned housing, which puts severe restrictions on the freedom of farmworkers.

The sit-ins at the Greenville Air Force Base in Mississippi and the subsequent tent colony in Lafayette Square in Washington temporarily dramatized one of the major aspects of rural poverty—the need for adequate shelter. Our experience in rural areas confirms this need. We see daily in human terms the need in California for 730,000 units of housing and the need in Mississippi for 100,000 units.

For farmworkers, employer-owned or controlled housing creates a condition of 20th-century serfdom. Freedom to seek change in working conditions, to participate in community activities, to receive community services, to register to vote, to enroll children in the school of your choice, to change your job become myths. The threat of eviction and loss of job prevails.

Our experience not only in the Deep South but also in Florida, California, North Carolina, New Jersey, and Pennsylvania supports this statement.

AFSC workers have on a number of occasions been ordered to leave camps where they were conferring with farm workers. In January of this year staff members were ordered off of an FHA-financed camp, now under the control of a large labor contractor, where they just had scheduled a meeting with a small group of workers. Our Chester County, Pa., staff has been refused admission to grower-controlled housing to talk with mushroom workers.

In New Jersey, an AFSC worker was arrested by a farmer and held at gunpoint by him until State troopers arrived, after he had been invited onto the camp by the crew leader to help some of his people fill out social security applications. The charges were later dropped.

Eviction was resorted to extensively in the Delano, Calif., strike.

In North Carolina, after farm laborers had been 2 weeks without work, it was determined by the Welfare Department that there was near starvation in certain camps and that U.S. Government surplus food was needed to alleviate the situation. Farmers exerted enough pressure to force the Welfare Department to reverse itself, and the U.S. Government surplus food was denied. A number of churches provided the necessary food. But a farmer let it be known that he would shoot anyone who tried to get on his farm to distribute the food.

In addition, residents of housing enclaves on grower property are often denied the benefits of public health services, and community and other workers are prevented from communication with them.

When a camp is on the property of a private farmer he exerts his right to deny entry to anyone whom he pleases. In Florida, the Department of Health was denied the right to hold a clinic on one farm until the son of the farmer convinced his father that it was a good thing.

Employers often excuse low wages because "housing is provided," though too often the housing is inadequate and may have cost the employer nothing for many a year. The worker should receive his payment in wages.

Growers and farmers frequently resist community efforts to build community-owned housing for migrant workers because of their need for a "captive" labor force. A recent headline in the Miami Herald (10/2/66) reads: "Protests May Kill Farm Worker Housing Project: Pahokee Landlords Organize."

In some southern communities eviction is openly used as a weapon in driving the Negroes out of the county and State to northern and western cities. Community development and basic education programs, cooperatives, credit unions rarely reach the "plantation Negro." Rarely does he become a part of voter education programs, training programs, etc. Why? Because of the threat of eviction, potential or actual and because there is no place else to go. One plantation family we know well spent a year and a half seeking to buy, rent, or find land to build on within the school district where their children were enrolled and doing well. Fear kept fellow Negroes from renting or selling; the white community presented a united front, again partly from fear of a few.

The evils of employer owned and/or controlled housing are not squarely faced or even recognized by some. Already in the 90th Congress a bill has been introduced to provide "rapid tax amortization for farmer-owned housing for farmworkers." Its sponsor is a real friend of the rural poor but such legislation perpetuates and expands a basic cause of rural poverty. All such tax gimmicks and special loan programs to individual farmers for farm labor housing should be ended at once.

The shortage of independent housing in rural areas is acute. Need for shelter has high priority. One AFSC staff member working in rural areas writes: "I used to feel that housing problems were second only to wages in the farm labor field. I am beginning to feel they are now equal, not secondary." And wages often depend on housing. A farm laborer in Pennsylvania got a job offer at wages three times his present earnings. He couldn't take it because there was just no independent, nongrower controlled housing available.

Our California staff writes that people who live in grower-owned housing may reduce their potential annual employment by as much as one-third because they cannot readily work for other employers.

Three large camps built in Florida with Farmers Home Administration loans to a person who applied as a "nonprofit corporation" have been frequent violators of health regulations and on occasions been closed down. The original owner now subleases sections of the camp to individual farmers in the area. The farmer uses it to house workers who are working for him. If they want to work for someone else, or change jobs, he can force them to give up housing so that he can have the house available for someone else who will work for him at wages he wishes to pay. If a man has a family and no prospect for other housing he may be forced to accept inferior conditions.

The requirement that some Federal housing programs of the Department of Housing and Urban Affairs can only reach an area through a local housing authority, in rural areas not usually very enlightened, prevents many needy persons and areas from benefiting from these programs.

In California such authorities may be established by a local governing body (city or county board of supervisors) through apointment of commissioners. Commissioners often have practically no relationship with the people needing their services, and they are relatively immune to public pressure. They act as a power unto themselves, and as experience in Tulare County suggests, it is difficult to force elective governmental bodies to exercise control over them.

Federally assisted rural rental housing is blocked in Chester County, Pa., because of the requirement that the local government (township) invite or approve and that the housing must be in an area with a "workable urban renewal plan." The rent supplement program provided hope for a breakthrough. Private nonprofit groups could build housing, but the rider to the bill making such supplements available only in areas with a "workable renewal plan" again discriminates against rural areas.

Land is a major factor in meeting the need for rental and independently owned rural housing. The Farmers Home Administration can now loan money for the purchase of land as well as for house construction but the cost of land, even the ¾ acre necessary in rural Chester County or the 2 acres deemed essential in the rural South, or the minimal plots in California, puts both land and loan at current interest rates out of the reach of the poor.

Income qualifications for loans and inadequate loan funds present problems to the rural poor in search of housing.

To qualify for self-help housing loans from the Farmers Home Administration, rural families must in many cases have incomes above the poverty level, even though from their limited funds those families most needing houses put payment of shelter above all other needs and expenses. At the same time OEO funds for technical assistance for self-help housing groups are curtailed because the income level required by the Farmers Home Administration makes too high a proportion of participating families ineligible for assistance by the War on Poverty.

Another block in the achievement of decent housing in rural areas lies in the availability of loan funds. A 1966 Senate committee recommendation makes it possible for OEO to provide "brick and mortar" grants of $1,500 to low income home builders under Title III-B. But funds appropriated by Congress are so limited for this title that the authority is almost meaningless. Similarly the housing loan authorization for the Farmers Home Administration is woefully inadequate. In one California project alone, requests for self-help housing loans in 1967 will total $800,000 but by a Bureau of the Budget ruling FHA has only $3 million available nationally for loans to all self-help housing projects in the first quarter of 1967.

American Indians are in a special bind. Their lands are held in trust for them by the Federal Government, and many live on reservation land owned collectively by the tribe. The Farmers Home Administration and most private lending groups require individual ownership.

The Department of Housing and Urban Development has been particularly open to the needs of reservation Indians. Since few Tribal Councils resist the creation of Tribal Housing Authorities, public housing programs on Indian reservations serve as an example of progress in meeting the needs of the rural poor. But in view of the fact that 90 percent of the housing on Indian reservations is below minimum standards of safety and decency, public housing programs meet only a small portion of the need. Public housing programs need to be expanded and ways found to provide housing for people who don't qualify for public housing assistance. Indians with employment may actually have poorer housing than unemployed Indians, because their income is too high for them to qualify for public housing assistance, but neither can they qualify for conventional Veterans' Administration or Federal Housing Administration financing because of their special status.

A. *A coordinated attack on the problem of housing in rural areas should have top priority in the recommendations of this Commission.*

Recommendations should include:

(1) the elimination of government support for employer-controled housing—a version of the "company town";

(2) increased authority and appropriations for direct grant and long-term low interest (perhaps as low as 2 percent) loans for land and housing;

(3) a 1967 Homestead Act that will make available adequate-size land holdings to low income families who seek to build or acquire their own home and which would give landless Indians the preferential status they have now in theory but in fact have not been able to exercise;

(4) elimination of the artificial 5,500 population ceiling which makes many individuals ineligible for rural housing loans;

(5) funding and expansion of the rent supplement program to meet the needs of rural areas;

(6) reevaluation of income requirements for home ownership loans including proper assessment of priority given to the shelter and current payments for that shelter;

(7) funding of existing authority and increased programs for repair and improvement of existing homes;

(8) reevaluation of requirements of housing authorities and/or local government approval or sponsorship of housing projects and reconsideration of the "workable urban renewal plan requirement."

IV. Rural education needs to be upgraded drastically if rural people are to have the opportunity to break out of the syndrome of poverty.

Rural schools demonstrably offer fewer courses, less adequate equipment, and often limited and secondhand books. Teachers in rural schools tend to have less training and to be more provincial in their outlook than teachers in urban and suburban school systems, and it is difficult to attract well-qualified teachers to rural school systems. County school boards tend to set more restrictive policies and engage in little coordinated, enlightened planning to correct the deficiencies of local schools.

These inequalities, found rather generally in rural school systems, are compounded particularly in the South where the dual school system is still the predominant pattern, in spite of the Supreme Court's school desegregation decisions and recent efforts by the Department of Health, Education and Welfare to speed the process of desegregation through enforcement of Title VI of the Civil Rights Act. Most Negro schools in the rural South, for instance, are not regionally accredited and do not offer courses in physics, chemistry, foreign languages, and higher math. Instead the emphasis, often expressed in the very name of the school, is on vocational skills which may or may not have a market.

An example of the effects of this double standard in education comes from our program in Florida. We hired a Negro secretary who had graduated from a rural high school and taken a secretarial course at a junior college. She had mechanical ability and intelligence but through no fault of her own, because of the poor quality of the schools she had attended, she was educationally handicapped, unable to recognize words or sentence structure or to spell. She could not make the grade as a secretary and is now doing substitute teaching in the very school from which she graduated, perpetuating a cycle of incompetence.

From our California staff comes the observation that vocational education is limited and stereotyped. "Aside from limited offerings in math and English all that is offered in Tulare County is carpentry, electricity, and auto mechanics, none of which lead to employment. Dairy-hand training is the only class that offers the prospect of employment and the only one that pays a stipend. There are about 20 men in this. In the entire Central Valley of California there are opportunities for fewer than 100 rural people to enroll in MDTA courses leading to more skilled employment."

Many of our rural citizens are Mexican Americans, Puerto Ricans, or Indians, for whom English is not their first language. Individuals who come from homes where English is not spoken or who have not used standard English need special instruction in English taught as a second language. The quality of the instruction they actually receive in rural schools is often well below the average quality of instruction for English-speaking children in the country as a whole.

Rural school systems need further consolidation to eliminate dual school systems and to provide for more modern educational equipment and courses. Particularly in rural areas where average educational attainment is low, schools should serve adults as well as children, keeping in mind that they are adults and thus need instructional materials which will be of interest to adults. Professional educators easily forget that adults who have not had an opportunity for formal schooling are not necessarily stupid and have learned a great deal informally. In rural areas the school often serves as one of the few available institutions capable of serving as a center for community development and should be utilized in this way wherever possible.

Basic education and literacy programs sponsored and funded under Title III-B of the Economic Opportunity Act have been of real value. Stipends for students are essential. Massive additional funds for this program are needed.

Where cultural values differ from those of the majority, as among American Indians or Mexican Americans, these values should be respected. Education will fail as an antidote to poverty if it is based on the assumption that current material middle-class values are the only ones appropriate to American citizens. Too much of the curriculum in the public schools today is culturally weighted in favor of those who are "in the mainstream."

V. Accessible services, including aggressive employment services, welfare offices, medical, cultural, and recreational opportunities, credit, and legal aid, are in urgent need in rural areas.

Imaginative programs of the War on Poverty have begun to make some improvements. The recent effort of the Department of Agriculture to provide for regional approaches to the attainment of such services should be implemented on an expanded scale.

A. Some random illustrations drawn from our experience can be duplicated from every rural area we know.

(1) There is not one full-time employment office in the rural black belt counties of Alabama. You must go to Montgomery or Selma, if you have the means of transportation and the cost thereof.

(2) One Farmers Home Administration county supervisor is responsible for Montgomery and Lowndes Counties, Ala. He spends one-half day a week in the Lowndes County seat; the balance in Montgomery County. This imbalance is not unusual.

(3) A family in a Mississippi county needing advice and help from the Farmers Home Administration must travel 15 miles (they have no phone) to discuss their needs and among the reasons given for refusing them a loan was the amount they owed on their car—their means of transportation to available services, food stores, and medical care.

(4) The inaccessibility of State employment offices in the State of Washington to rural Indians and the requirements of weekly visits to the office to remain eligible for unemployment insurance makes this program virtually useless to many Indians. Also, because these offices are not accessible many Indians do not report. Therefore they are not counted statistically as unemployed. Thus Federal programs, based on statistical rates of unemployment, are not made available to the area—not because the area does not qualify in terms of real unemployment, but because of erroneous statistics.

(5) Florida is no better. A staff member writes:

> The welfare office in Belle Glade is in a new building, three or four miles outside of Belle Glade, isolated from any population area. No one lives there, let alone any poor. Anyone without transportation must walk the three or four miles to even get there. The Okeechobee Labor Camp is two miles on the *opposite* side of Belle Glade. They give no cash assistance, only grocery orders. These are given at the decision of the individual case worker. Emergency hospital and medical care for indigents is also provided at the discretion of the department.
>
> There is a building at the city office in town where the social security people come once every two weeks to receive people needing help. A little over a year ago an effort was made to get the Welfare Department to put someone in that office in town once a week so that townspeople could come there on an appointed day. They refused to consider it. If they needed help they could get to the office. A woman who had an operation and couldn't work and needed help for her family had to walk out there, got a grocery order for one week, and at the end of that week had to walk back to make a request for another week.
>
> Other examples are the indigent clinics operated by the Department of Welfare. In Belle Glade they are held at the hospital at noon every day, again isolated and a long walk for those who must go.

> The West Palm Beach clinic has recently been moved from the center of town which is incidentally near a poor area, out to 45th Street, north. People from Delray Beach, 20 miles south must attend the indigent clinic there. An indigent psychiatric clinic is operated in some buildings at the airport, another difficult place to get to.
>
> By contrast, the maternal health division of the Palm Beach County health department, with Federal funds for the purpose, operates a number of excellent Maternal and Infant Welfare clinics in the midst of the areas served and they are swamped. There is a new one in Riviera Beach and one in Boynton Beach. This is good preventive health work, and the people respond because it is accessible. (Seven clinics weekly are held once a week in the different areas of need.)

This same pattern of inaccessibility applies in Prince Edward County, Va., and in Tulare County, Calif., to our certain knowledge. We suspect it is a national pattern.

(6) In a Southern State, a young girl lost her eye because the nearest medical aid was 50 miles away and the cost so high, the family could not keep her there for treatment.

(7) In Chester County, Pa., an older man whose feet were amputated because of inadequate heat in his rural home must go monthly to a central office that is open one-half day a month for his surplus food. Those who might help him are often working and unavailable.

(8) From Tulare County, Calif., comes this report confirming the need for legal services. An agricultural laborer, currently employed pruning grapes at $1.40 an hour was arrested for drunk driving on January 14. He paid $55 for bail bond and appeared in justice court on January 25 for arraignment. A friend came to court with him to translate. This being a first offense the friend advised he needed no attorney and should plead guilty. The man did so and was fined $289 which he could not pay so he was sentenced to 50 days in the county jail. Conference with the judge and the sheriff could produce no moderation of the sentence, although it is usual to allow people to pay fines on time. The legal service association could not take the case because they are precluded from criminal matters. The public defender cannot enter the case because the judge did not assign it. The man's rights are presumed to have been protected because he was told he could have legal counsel if he wished.

Why do rural areas seem to get by-passed in terms of such services? We believe in part this is due to point No. 1 above in this testimony—the lack of active organized local leadership. If the Federal Government is serious about attacking the causes of rural poverty and migration to the cities by people ill-equipped to cope with the problems of urban life, major support should be given the development of rural community leadership and organization.

B. *What is needed:*

(1) A dispersal of services and/or community service workers into outlying areas (branch offices, community workers on a regular schedule, even visiting homes) is important.

The employment service needs to actually go to the people, especially to those who need encouragement after years of experiencing failure or rebuff. Employment services need to be more employee-oriented in getting employers to accept and work with employees who need special counseling or who may come from a different ethnic group.

Welfare services need to be more than grants, but also counseling, intensive working with the people in their home environment, not in an office. People have many family problems, but view the welfare worker as mainly a source of money.

Medical services needed include more home care.

Legal aid is universally needed. Legal aid programs should be strengthened by provision for licensing of legal aids who would not need to be admitted to the bar or have a college degree, but who would be required to have some legal training and mastery of certain knowledge.

In this connection, our experience with teacher aids, nurses' aids, health aids, and community aids has indicated that indigenous workers are often far more knowledgeable and wise in these areas of human relations than outsiders, and that the local people can be taught the necessary skills to operate effectively. These "subprofessional" jobs can provide a way for the poor to get into service jobs which are meaningful, which make a contribution to our society and provide a way out of poverty into leadership. Such "subprofessional" workers should have opportunity for further study and in-service training, so that they can move on to even more responsible roles. We urge government at all levels and professional associations to review laws and regulations which might be changed to provide easier entry into the professions of poor people with the special social skills needed so much by our society at present.

(2) Review or appeal boards, including the poor in their membership, should be established where poor people could have some recourse or means of appeal. Many local offices providing services are under the control of those with a stake in the status quo who sit in judgment on those applying for aid, a process so degrading as to destroy easily a person's belief in himself.

(3) Mobile health, employment, and welfare units on a regular weekly schedule are needed.

(4) The urban orientation of most service agencies must be recognized and a conscious educational effort made to recognize and appreciate the needs and problems of unorganized, dispersed rural people.

(5) Our Los Angeles staff suggest that there should be established in rural areas from which major migration to urban centers is known to occur, mobile referral centers to provide information and orientation to urban life to would-be migrants.

(6) The experimental Tuskegee Institute Community Education Program (TICEP) at Tuskegee, Ala., should be studied and adapted for use elsewhere.

VI. Expanded, nationally uniform and equal coverage under social welfare laws would do much to break the back of rural poverty and stem the tide of migration to communities, jobs, and States where benefits are more equitable and secure.

A. *All forms of employment should be covered by social security and benefits should be increased* to provide its beneficiaries with an income above the minimum poverty level. Farmworkers today, whether tenant, migratory, or settled, get no pensions, work at wages insufficient for daily needs, let alone savings. Yet present laws for coverage and the nature of their administration mean that this major rural poverty group are in large measure excluded from full benefits of social security.

The President's request for increased social security benefits and for the use of supplementary Federal funds provides an immediate opportunity for a strong effort to improve the coverage and administration of this vital tool for alleviating poverty without having the degrading means test attached. For rural people social security is most needed and least available. The farmworker is the most systematically cheated out of this benefit.

Some farmers in Florida, for example, collaborate with crew leaders to switch crews before the minimum number of days worked for one employer is accumulated by the workers. Other farmworkers and crew leaders deduct the payments and pocket the deductions without even bothering to get the social security number of the worker.

From our Chester County, Pa., program we can document the case of a mushroom grower who up to 1964 never withheld social security from his workers and offered the worker who protested a small pay increase as a substitute. Through the efforts of a local citizens committee, this grower now covers all his workers. But alert citizen groups are not always at hand to protect the rights of *all* citizens.

In southern Florida we have ample evidence of evasion of even the limited social security coverage required. Men and women who had worked as much as 30 years in the migrant stream had either no recorded payments or figures below $10 for 15 years of work.

Specifically, *we recommend:*

(1) The social security eligibility requirement that farm laborers work a specific number of days (20) for one employer or earn $150 from him be eliminated. Farmers who deduct social security payments from workers' salaries are penalized as was a Farm Workers Co-op in California initiated by the AFSC. The take-home pay was less. In an area where pennies are of vital importance, workers selected jobs on the basis of immediate return.

(2) Coverage of all workers, including sharecroppers, day hands, by this insurance if the employer has even one worker meeting a minimum requirement of hours worked.

(3) The ultimate employer, i.e., in farmwork the farmer or grower, *not* the labor contractor, shall be responsible for deductions, recordkeeping, reporting, and employer payments. Many crew leaders are incapable of keeping the necessary records, they pay cash per basket from their pockets at the end of a row, and they have no permanent base where enforcement officers can find them.

(4) More stringent enforcement of the law. Greater zeal is needed on the part of social security officials; for example, field inspections, surprise visits to farming areas to check up on crew leaders and farmers to see that the law is being obeyed.

B. *Coverage of farmworkers under unemployment insurance should be mandatory.* In a small two-county area in Mississippi, all working members of 15 families lost their jobs after registering their children in the school of their choice—the previously all-white school system. No other jobs could be found in spite of great effort. Two of the families with four and six children respectively were entitled to but not receiving ADC. They were near starvation when our staff discovered them. Only small weekly grants from a private fund kept these families alive and in the community where they were leaders. This story is typical of the tenant and sharecropper families of the South who are now being replaced by mechanical cottonpickers, etc., as well as excluded from jobs for racial reasons.

Construction workers in the North work 7 or 8 months of the year at good wages. During cold winter months when construction ceases they are eligible for unemployment insurance and do not have to exhaust their savings resulting from high employment and high wages. Nor do they have to become migrants in search of work.

Farmworkers in Florida work 7 or 8 months at wages that allow them to live at a bare subsistence level. When summer comes and agricultural work ceases, they must get into a rickety bus, travel from State to State all summer in order to keep alive. One staff member writes: "If there is any group that needs unemployment insurance more than the farmworker, I am at a loss to know who it is." Unemployment insurance would enable the farm worker to remain in Florida for the 4 or 5 summer months, would aid him in establishing a permanent home and in the long run provide a far more stable work force for the Florida farmer.

Our own Farm Labor Co-op experience is relevant. California has an optional unemployment insurance law. It is up to the employer. This Co-op, as employer, opted for insurance but the pay deductions required put the Co-op at such a competitive disadvantage with employers who did not carry unemployment insurance that the protection was dropped. The marginal existence of workers and the hourly pay concept makes voluntary reduction of wages for long term benefit very difficult.

C. *Inclusion of farm workers of all kinds under the National Labor Relations Act should be a top priority.* In a competitive society to deny the rights of collective bargaining to selected groups is an anomaly that society should no longer tolerate.

The anomaly of this situation is illustrated in Chester County, Pa., where mushroom growing and cultivating is considered farmwork and therefore not covered by NLRA, and compost making (an integral part of the mushroom industry) is classified as industrial work and therefore covered by NLRA. Many growers are engaged in both operations. J.B. has worked for one man for several years on the compost operation. He never received overtime pay. He finally complained to the NLRB and was told he was owed over $4,000 in overtime. He tried to collect. His employer said, "Take me to court," then fired him and evicted him from his house.

Most workers put in 60 to 70 hours a week to support their families. This grower now uses men for 40 hours in compost and then shifts them to the farm operation to avoid overtime. The right of collective bargaining would protect these workers. As individuals they are powerless. Other farmworkers are even more helpless in securing their rights.

The argument of employers against coverage on the basis of the perishable nature of crops and harvesttime needs seems questionable. As someone noted recently in testimony, there is nothing more perishable than an airline seat. Furthermore, unions in California have hundreds of collective bargaining contracts with canneries and other processors who can be struck at harvesttime. Contracts which expire well in advance of harvesttime leave ample time for contract negotiation.

D. We recommend that the whole public assistance policy be thoroughly reviewed and reexamined in the light of the goals of the President's War on Poverty; that *federal contributions be increased and minimum national standards of eligibility, payment and administration be established* pending the enactment of some form of income guarantee. Public assistance payments in many Southern States bear no relation to needs, and the nature of the ADC administration too often promotes the breakdown of families. In addition, the administration is often discriminatory; red tape and arbitrary decisions impose great hardships on already destitute families. Welfare offices are inaccessible to families with no public or private transportation.

We can document many and varied instances of the inequity and immorality of the present system. We will illustrate from only a few. We commend the Southern Regional Council's recent publication, "Public Assistance in the South" to the Commission for study.

The size of payments should meet minimum standards of need and at least be based on raising the family out of poverty. The situation of one family receiving ADC is a case in point. With six children and no other source of livelihood except an occasional day of cotton chopping at $3 per day this family received $31 to $35 per month. Simple multiplication shows that even with 30 days work a year, the mother's maximum, her total income would be $510 per year.

Another family writes: "How do you buy food stamps when you don't have any money coming in?"

The red tape, the arbitrary nature of decisions are dramatically illustrated in the story of L. S. Mrs. S. is the legal guardian of five nieces and nephews. She is illiterate. For over a year since losing her job and being evicted, she has gone repeatedly the 15 or more miles to the welfare office for assistance, each time being told she needs additional documents to prove she is related to these children. First it was the children's birth certificates; then their parents' birth certificates and the father has vanished; then the grandparents' certificates; then incorrectly filled out forms. Only assistance from private funds and friends keeps her alive.

Another family was denied commodities because they had $500 in the bank (a loan from a friend to buy land on which to farm).

Payments and benefits should be on the basis of need; not tied to the whim or pleasure of an individual. For example, in some Southern States a white man's signature is needed before commodities are made available. Often this signature is secured at the price of working, without pay, for the signer for an indeterminate period.

In Pennsylvania, families too old or incapacitated to work drop out of the migrant farm labor stream. One-year residence requirements denies them public assistance. Only an active citizens group providing "charity" enables them to survive this period of ineligibility.

From California, our staff reports the problems faced by Spanish-speaking families, which form a high percentage of the recipient group in some areas, because many welfare personnel have limited ability to communicate with them.

These are but a few instances of the public assistance problem of rural people where no caseworker comes to them, and payments are token.

E. Although some farmworkers are now partially benefiting from inclusion in the minimum wage law (Fair Labor Standards Act as amended 1966), this is just a beginning. The total working force should be included and minimums should not vary according to occupation, though a period of upgrading for newly covered workers may be necessary.

Farmworkers who are covered will be guaranteed a minimum of $1 an hour in 1967. The President has determined that any family of four earning less than $3,160 is in poverty. At $1 per hour a man would need to work 60.7 hours for 52 weeks to achieve the poverty ceiling. But farmwork is seasonal and increasingly fewer men find full-time work in agriculture. Statistics show that the average number of days worked by farm laborers across the country in 1965 was around 120. These families would have to work not 24- but 26-hour days to rise above the poverty level!

In the Mississippi Delta, men and women go out to chop or pick cotton when there is work. Some whom we know found work 3 to 4 days a week for only 7 weeks during 1966. They worked 13 hours and earned $3 to $3.50 a day. Obviously even a minimum of $2 per hour would not be enough.

There are three alternatives: (1) Pay the worker a minimum of $2 an hour and guarantee him 200 8-hour days of work; (2) pay the worker unemployment insurance; (3) devise a form of negative income tax or guarantee of income. Most workers we know prefer No. 1.

VII. The experience of Indian tribes on reservations has both positive and negative lessons to teach concerning rural poverty. We have drawn examples from our experience with American Indians throughout this testimony. The special legal status of Indian tribes calls for separate attention here. We urge the Commission to heed such experience as tribes themselves and inter-tribal organizations may have to share, since they will be giving detailed testimony of particular importance.

The inalienable trust status of Indian land and property and the unique historical status of Indian tribes as "dependent domestic nations" retaining a degree of residual sovereignty has been a major stumbling block in developing good relationships between Indians and non-Indians and has been a major factor behind the conditions of abject material poverty which exist on most Indian reservations today. On many reservations the Indian groups have retained a spiritual richness, self-confidence, and pride in their identity which has compensated in large measure for the physical poverty in which they have had to live. On other reservations the paternalistic administration of services and the debilitating lack of authority for Indians to make decisions concerning their own property and community have drained the Indian community of its original self-confidence and independence, creating spiritual as well as material poverty.

There has been a constant temptation in Indian affairs to cut the Gordian knot of regulations and red tape which have demonstrably crippled Indian initiative and prevented Indian tribes from developing viable economies. We should bear in mind that so far each cure-all "solution of the Indian problem" which has been tried—the removal policy of the 1830's, the attack on tribalism by allotting land to individual Indians in the 1880's, and the termination policy of the 1950's—has resulted in loss of Indian land; in greater red tape and bookkeeping by the Bureau of Indian Affairs, increasing the cost to the government rather than decreasing it; and in increased dependency of Indians on non-Indians. The policy of looking for the magic key which will force Indians to assimilate into non-Indian society and lose their separate cultural identity has not worked: neither the goals of the non-Indian majority (to solve the "Indian problem" and relieve the Federal Government of its special obligation to its Indian citizens) nor the goals of the Indian people (generally to live happy, fulfilled lives as they define happiness and fulfillment) have been achieved.

The experience of reservation Indians has been instructive in positive ways as well as negative. Reservation Indians constitute one of the few rural groups which have maintained a land base and which have retained societies based on utilization of their corporate land base. They have been inhibited unnecessarily in their use of their land base and in the exercise of local initiative within their reservation communities, since the Bureau of Indian Affairs has held the veto power over many major areas of community life, including the use of capital resources. Reservation self-government has been very limited, and tribal leadership is still in the process of trying to establish viable democratic forms of government over 20 years after the enactment of the Indian Reorganization Act, which made formal provision for limited local self-government.

What can be done in the local community dependent on the reservation land base when decisions are in the hands of local Indian citizens has been demonstrated by the accomplishments in a few short months of community action programs on Indian reservations. It is generally acknowledged that the most successful community action programs in the nation have been on Indian reservations, and Sargent Shriver has pointed out that local self-help and cooperation are among the basic values of most Indian groups, in spite of the fact that they have had little opportunity to exercise these values since the establishment of the reservation system.

In view of this experience the Bureau of Indian Affairs is to be highly commended for its new policy of delegating as much authority as possible to Indian Tribal Councils, of contracting with Tribal Councils whenever possible to provide community services rather than providing services directly as it has done traditionally, and of emphasizing community development and greatly enhanced educational opportunities. If reservation communities are allowed to exercise true self-determination and to plan and implement the programs they feel they need, while their independent land base is protected against further encroachment, great strides should be possible in overcoming the poverty which has been endemic on most Indian reservations for years. We hope the Bureau of Indian Affairs will be given sufficient appropriations by Congress to implement the reforms they are now planning.

Conclusion

In summary we would say that single uncoordinated pop shots at the problem of rural poverty may salve consciences but they leave the basic issues untouched.

The full integration of rural people into the economic life of this nation as equals with their urban and industrial counterparts in terms of rights and benefits is essential. Rural citizens should have the same opportunities and services as urban and industrial citizens. They should not be denied the resources and the freedom to live and work, how and where they will. Only then will *forced* migration be ended and the quality of both urban and rural areas raised.

In attacking poverty, there is still the underlying belief on the part of far too many people that people are poor because of their own inadequacies. So we design programs to remove these inadequacies. Our experience indicates that if we are to have a great or good society we must so restructure our society and its institutions as to *meet the needs and aspirations of people* rather than continue to try and change people to fit the needs and capabilities of the institutions we have created.

STATEMENT SUBMITTED BY JAMES G. PATTON, PAST PRESIDENT, NATIONAL FARMERS UNION

We have made some remarkable gains in the past 6 years. And we suffered some disappointments.

Let me speak first of the gains.

I take a good bit of pride in being able to say that in 1961 I announced plans to form a national committee to work toward the elimination of poverty in America and appointed a National Policy Committee on Pockets of Poverty. Former President Harry S. Truman served as honorary chairman and we had many other distinguished members.

That was the first time, broadly speaking, that any such declaration had been made in more than 20 years.

There was, shall we say, a renewal of interest in the problems of the poor very evident in Washington that spring.

John Kennedy, in his inaugural had said, "If a free society cannot help the many who are poor, it cannot save the few who are rich."

But it had been more than 20 years since there had been any noticeable public recognition of the problem of poverty, and when we announced our plans I must say we received a rather cool reception.

It wasn't until 3 years later that President Johnson really made the country aware of the misery of the poor.

The publication dates of the literature on poverty tell the transition very well.

Ken Galbraith's "The Affluent Society" was published in 1958.

But almost everything else in the flood of books that have come forth in recent years on the poor and their problems have been printed since 1961. Ben Bagdikian's "In the Midst of Plenty" came out in 1964; Glazer and Monihan's "Beyond the Melting Pot" was printed in 1964; Michael Harrington's "The Other America" in 1963; Edgar May's "The Wasted American" in 1964; Harry Caudill's "Night Comes to the Cumberlands" in 1963; and "The Talk in Vandalia" by Joseph Lyford in 1962.

By and large, this is a sad commentary—there had been little published about the aching sore of poverty for 20-plus years.

To a marked degree the literature of an era reflects the mood of the people.

Remember the literature of the thirties. "You Have Seen Their Faces" by Margaret Bourke-White and Erskine Caldwell; "Seven Lean Years" by Thomas Wooten; Dr. Will Alexander's "Collapse of Cotton Tenancy," "Let Us Now Praise Famous Men" by James Agee and Walker Evans, Arthur

Raper's "Tenants of the Almighty," John Steinbeck's "Grapes of Wrath," "An American Exodus" by Dorothea Lange and Paul Taylor—these and many more, plus Pare Lorentz's movies "The Plow That Broke the Plains" and "The River," and Roy Stryker's photographs, all made America conscious of the troubles of the disadvantaged—all reflected a common concern.

But think of the years that elapsed between "The Grapes of Wrath" and "The Other American."

Heaven be praised, we did, in the awakening days of the sixties, face up to the sad and hidden side of our economy. No better words have ever been spoken about the necessity for helping the poor than President Johnson uttered in his message to Congress announcing the War on Poverty.

He spoke of the good Americans who have struggled through the years toward a better life where every citizen shares all the opportunities of his society, in which every man has a chance to advance his welfare to the limit of his capacities.

The President said:

> We have come a long ways toward this goal.
>
> We still have a long way to go.
>
> The distance which remains is the great unfinished work of our society.
>
> The war on poverty is not a struggle simply to support people, to make them dependent on the generosity of others.
>
> It is a struggle to give people a chance.
>
> It is an effort to allow them to develop and use their capacities, as we have been allowed to develop and use ours, so they can share, as others share, in the promise of this Nation.
>
> We do this first of all because it is right that we should.

The President's statement was one of the finest he, or any other President, ever delivered.

It provided a wonderful climax to the rising tide of recognition that we, in this country, were faced with the awesome responsibility of doing something about a problem we had swept under the bed for two decades.

SLOW PROGRESS

What has happened since?

Not as much as should have happened.

Part of the blame can be laid to the war in Vietnam.

Part of the blame can be laid to the apathy that too often follows the first enthusiasms of a crusade.

Some people have become discouraged because the miracles they dreamed of did not come to pass over night.

Some people have become discouraged because of the difficulties that arise when any large-scale effort, involving hundreds of thousands of people, gets "hung up" in redtape.

We who have spent our lives working on farm programs and rural development programs are really not surprised at the slow rate of progress. But we are disappointed.

How many times did we march forth to get for farmers their fair share of the pie only to be thrown back?

How many times did we see our fellow warriors fall out when the going got rough?

Even today, though we have made notable gains, we cannot claim total victory.

And we have been working for parity for how many years? Is it 30? Or 40- It is 40! Shades of McNary-Haugen!

GAINS NOTED

What do I see on the positive side in the War on Poverty in rural areas?

For one thing, I like what has happened to the Farmers Home Administration.

There is an agency that won its spurs in the poverty battle in the thirties and then was put on the shelf.

During the sixties the Farmers Home Administration has been restored to the position of being a real battler in the poverty fight.

Within the authorization given to it by Congress and new impetus by a concerned Administration since 1961, the Farmers Home Administration has done an admirable job of helping to strengthen family farm agriculture in America through its supervised credit programs.

For instance, in fiscal 1960 less than 3,000 farm ownership loans were made by the agency for a total of $56.6 million. Six years later, the agency made more than 14,200 such loans for a total of $233.2 million. These loans were made to farmers that were unable to get credit elsewhere and the remarkable thing about this particular loan program is that a recent survey shows that the average farm ownership borrower increased his gross income from $9,000 to more than $17,000 per year.

Currently there are over 72,000 farmers using this program—most of whom, without this program, would have been forced to leave the land and move to urban areas in search of employment.

We have been losing family farmers at the rate of about 100,000 a year for the past 25 years, many of whom can be found today living in poverty-level conditions either in rural areas or in our cities.

Since 1961, the Farmers Home Administration has supplied nearly $1.6 billion in farm operating credit. This is a half billion more than was available in the previous 6 years. While Congress last year increased the authorization for this program to $350 million for this year, now the Bureau of the Budget has cut it by $75 million.

This is ridiculous and tragic.

The need for farm operating credit has doubled since 1960. In view of this, plus the fact that farmers are being asked to put an additional 26 million acres back into production this year—requiring at least another $2.5 billion in operating credit—the Farmers Home Administration should have at least $700 to $800 million available for this program and this would only represent about 5 percent of the total operating credit needed for the 1967 crop year.

In this day of modern agriculture, with the enormous capital input needed to operate, to deny a farmer a source of operating credit is to deny him the right to farm and the right to make a living. Credit is just as vital to his survival as good prices.

The Farmers Home Administration has also done an outstanding job in helping rural people other than farm families.

Improvements in the rural housing program since 1961 have made it possible now for the agency to provide about $400 million annually to improve rural housing in rural areas up to 5,500 population with special provisions for senior citizen and farm labor housing.

In the period from January 1, 1961, through June 30, 1966, the agency made over $850 million in rural housing loans as compared to $182 million in the previous 6 years. This is real progress.

In helping to improve our rural communities, the Farmers Home Administration has been given some new and effective tools. Prior to 1961, the agency loaned less than a million dollars annually to help rural communities construct water systems. With its new loan program, the Farmers Home Administration can now provide loan and grant assistance to construct or improve not only water systems but waste disposal systems as well for about 1,400 communities each year.

The agency's economic opportunity loan program is a modest program and has been in operation only 2 years. Yet, in this period it has provided loan assistance to low income rural people in nearly 40,000 families. This is only a drop in the bucket when you consider that nearly half of all the poverty-level people in this nation can be found in rural areas where less than a third of our population reside.

And though we all bemoan the small percentage of Economic Opportunity funds that have reached rural areas, we must in all honesty recognize the difficulty of dealing with the part of our economy that is unorganized, has no planners, few spokesmen, and just from sheer physical standpoint is darned hard to reach.

We do know that three out of every four rural counties have turned to the Office of Economic Opportunity for help, that more than 100,000 rural leaders have become involved in planning projects to upgrade their communities.

The President, just last November, noted that special loan programs are helping our rural poor and that almost one-third of our poverty funds are going to rural America. During the last session of Congress a special provision was placed in the Economic Opportunity Act to encourage the direction of a larger share of funds into rural areas.

We have made remarkable increases in extending the food stamp programs and the school lunch programs to rural areas.

Thousands of communities can tell of really remarkable gains under Head Start and Job Corps programs and the Neighborhood Youth Corps.

Statistics show what is happening:

On June 30, 1965, there were 156 community action agencies (CAA) in operation covering 361 counties. A year later there were 643 such agencies covering 1,451 counties—a quadrupling of rural OEO effort.

Rural programs for Summer Head Start in fiscal 1966 received $42.5 million compared to $28 million in fiscal 1965.

Neighborhood Youth Corps in rural areas got $9.9 million this past year, which represents more than 30 percent of the total NYC grants.

More than 34 percent of all funds for the Work Experience programs are now going to rural areas.

The Green Thumb project, in which I have a special interest because of its close-connection with Farmers Union, is another fine example of an imaginative approach to a previously pretty much ignored problem. Here we had elderly people, wanting work, capable of work, and without jobs. At the same time we had millions of miles of roadside that were drab, scarred, and ugly.

In one year the men hired under this program planted over 400,000 trees, beautified several thousand miles of roadside, constructed dozens of rest areas. And these were men that society had placed on the retired list.

We can take satisfaction from the gains made on many fronts.

We see glimpses of the Great Society.

The Pace Too Slow

But the pace, gentlemen, the pace at which we are traveling is far, far too slow.

Take rural housing for instance.

There are some 3 million substandard houses in rural America—1 million of them are in such a dilapidated condition that they are unfit to live in. The other 2 million homes are rapidly deteriorating.

While the $400 million we can now loan through FHA for rural housing is 10 times better than what we were doing in 1960, it falls far short of what is actually needed.

Consider, if you will, that at best we can replace only about 40,000 of these dilapidated homes each year under the present rural housing loan program; it will take 25 years to replace the dilapidated homes. By that time most of the other 2 million deteriorating homes will have become dilapidated and we find ourselves 25 years from now a whopping 50 years behind. Instead of moving forward in solving the rural housing program, under present programs we are falling behind at double the rate of progress.

Let's take the problem of rural communities.

There still remain some 30,000 rural areas in the United States that have no central water supply systems. There are many more than 30,000 that do not have central waste disposal systems. There are thousands of rural towns whose water and sewer systems are in need of major improvement.

Without these minimum basic facilities, these rural communities, of course, are without any vestige of protection, without any hope of attracting new business, and the quality of living in these communities—to say nothing of the lack of economic opportunity—insures the continued massive migration of rural people to the already congested cities.

The task of financing a better rural America is far from insurmountable.

One major way would be to vastly expand the supervised credit programs that have proven so successful in the Farmers Home Administration. Under current programs, this agency has extended more than $7.8 billion to rural people. And, mind you, these are to people and associations of people, who cannot and could not get credit elsewhere.

Bad credit risks? Quite the contrary.

Of the $7.8 billion that has been advanced, the agency has collected more than $5.4 billion. Interest collections alone are 14 times the write-offs on debts that have been deemed uncollectable. The total write-off rate was seven-tenths of one percent at the end of fiscal 1966.

I submit that in view of this record we can build the homes, the water systems, the sewer systems, the recreation developments and, yes, provide the necessary credit to save our family-type farms. And we can do it, as FHA has shown, at practically no cost to the taxpayer.

The only thing that stands in the way of getting at the job is a bookkeeper's mentality in the Bureau of the Budget.

We have community action plans, but they are paper plans without financial support.

The only way that the very poor can ever obtain decent housing is through some sort of subsidy. Congress has authorized a rural housing grant program, a program that would place a tight roof on a widow's home, bring running water and a bath into the house of an elderly couple. But Congress, for 3 years, has refused to appropriate funds needed to keep this vital program going.

The only way that small farmers can get the credit they need to operate their farms is through the Farmers Home Administration. In this case Congress has authorized and provided the funds, but the Bureau of the Budget has held up the expenditure of the amount provided.

WHAT SHOULD BE DONE?

What should be done?

As a starter I believe that we should really begin to make use of the programs that are already on the books.

Then we should take a serious look at implementing a proposal that has been made in various forms, the idea of a guaranteed annual income for those who cannot be gainfully employed.

In addition, I believe we should pay more attention to those who say that the Government should set about creating jobs.

We should adopt a national rural land and farm and small business policy that will favor the family farmer and the locally owned small business.

We should have a national policy that sets guidelines on the number of farms that are needed to (1) support a well-rounded community development, and (2) keep the maximum number of people on the land.

We must start now to build 350 new cities right out in the middle of the wide open spaces. I mean cities that offer everything to everyone. The best schools, libraries, community centers, recreation, the full array of job opportunities. Jobs for skilled, semiskilled, and unskilled workers.

These communities should provide all the services we have come to expect—plumbers, electricians, dentists, doctors, clinics, hospitals—and a combination of small businesses and industries. Around these towns should be a mixture of full-size and small farms—a highly diversified set of farms. Farms to match the skills and abilities of a wide range of farmers.

We must make it possible for all those who live in the cities and yearn for the pleasures of country life to get back into the countryside.

This can be done. We who aspire to place a man on the moon can place tens of thousands, hundreds of thousands, of men out in the open areas of our own land.

We must wipe out the slum ghettos—whether urban or rural—and provide a decent home for every American family, within a decade.

We must provide, for all Americans, educational opportunity up to the limits of their abilities and ambitions, at costs within their means.

Is it shocking to say we should spend 10 times as much in the War on Poverty as we are now spending?

Would it really cripple the country to fight a war in Vietnam and a war on the home front, too?

I do not believe that we yet realize the unseen revolution that has taken place in our capacity to produce.

In our life span we have escalated from the sharing of too little—the dividing of scarcity—to the stage where we can meet all human needs.

I believe we have the capital, the technical know-how, and the human and natural resources to permit all of us—all Americans—to live in comfort with dignity.

I am not concerned one iota with the fact that many of our underprivileged and underendowed citizens may take more from society than they give. This is a price that we must pay for past neglect and past mistakes.

It would be a wonderful world indeed if each of us were blessed with, or had been able to acquire, the highest level of skill and talent.

But let's face it. Many of our people are handicapped—they are handicapped because they were born on the wrong side of the tracks, or because they are mentally or physically ill, because of their race, because of a lack of education, because of age, because they live in a part of the country that offers little in the way of opportunity.

I believe that we can make it possible for all these people to live at a decent level.

And as we set about this task, I believe that we should work much harder than we have worked before to see that the rural part of America, the people in the rural part of America, get their full share of attention.

To me it is absurd that we have allowed our population to be so crowded together that 70 percent now rest on 1 percent of our land.

We must reverse this trend.

President Johnson stated the case very well at Dallastown, Pa., last fall:

> History records a long, hard struggle to establish man's right to go where he pleases and to live where he chooses. It took many centuries—and many bloody revolutions—to break the chains that bound him to a particular plot of land, or confined him within the walls of a particular community.
>
> We lose that freedom when our children are obliged to live somewhere else, that is, if they want a job or if they want a decent education.
>
> Not just sentiment demands that we do more to help our farms and our rural communities.
>
> I think the welfare of this Nation demands it. And strange as it may seem, I think the future of the cities of America demands it, too.

In conclusion I would like to place one thought before you concerning what I believe to be a critical situation in rural America—the future of our family farm system.

I have deliberately steered clear of talking about the War on Poverty in rural areas in terms of farmers, because I am well aware that four out of five of our rural people are not farmers and that in any consideration of rural poverty we must talk in, and think in, terms of all rural people.

But I must narrow the context of my remarks for a moment and talk of a strictly farm problem.

I read the other day in the Washington Post that the family-type farm is now being tried out in Russia, with good results. It seems that the Russians have at last discovered that under the family-farm system the land "is no longer an orphan, but responds to its master."

This is rather ironic when in this country we often appear on the verge of turning our back on the family farm.

Last fall the National Catholic Rural Life Conference, in a statement on family-farm policy, had this to say:

> Today, powerful forces are at work which endanger the family-farm system. We consider the swift-moving revolution now taking place in agriculture serious enough to demand far-reaching changes in this Nation's land and agricultural policy . . .
>
> Labor efficiency has become a fetish . . . only a small percentage of rural people are aware of the growth of contract farming and its deeper meaning. . . . The limitation of the capital and credit resources of farm families constitutes a vacuum which occasions buying into the agricultural industry by nonfarm investors and corporations. If this trend continues until such investors and corporations gain control of agriculture, the family-farm system will be destroyed.

SUMMARY

1. Raise net farm income for family farmers at once.
2. Provide by Federal action a fully adequate cost-of-living cash income for everyone in America on an annual basis.
3. Provide national health insurance through the Federal Government for all people in the United States.
4. Make formal and informal education free to all from birth to death. Provide full opportunity to the limit of each person's desire and capability.
5. Adopt a real "Right To A Job" Full Employment Act. This law should be fully implemented at all levels of Government.
6. Congress should adopt a direct policy of encouragement of family farming in America. Qualified family farmers should be licensed to farm. Farmers are the only skilled, professional, or business men who are not licensed in some fashion to practice their skill. An opportunity should be open for young people to enter farming and to create new businesses.

Yardstick integrated processing, storage, and chainstore cooperatives should be established.

7. The Federal, State, and local governments should take every step possible to stop exporting poverty from rural areas to the city. Eradicate poverty where it is now—in rural America, urban America, among the lonely, the sick, and the handicapped.

8. Build 350 new three-level cities of 150,000 population right out in the middle of rural America. Connect all population centers with high-speed 300- to 400-mile-per-hour underground tube trains. Eliminate polluted air, water, and soil.

9. Fully implement the programs already on the books. The Budget Bureau should stop its fancy juggling and allow the expenditures to be made which Congress has authorized and appropriated.

10. We must build a quality America for all Americans. We must learn to live with abundance and like it.

11. We do not—except to massage our ego—need to go to the moon immediately, but we have long since passed the day when we should have eliminated poverty in America. Our primary goal should be to reach a full parity of living for all Americans before we reach the moon.

STATEMENT SUBMITTED BY SARGENT SHRIVER, DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY

A few generations ago, rural America was the glory of this country. Our farms and small towns were the symbol of freedom and plenty. They were the cradle of American individuality—American independence. I might say, the cradle of the American character.

Today—like our rivers, our lakes, the air we breathe—rural America has become the victim of a changing world. The small farm—stronghold of the family—like the rivers and the redwoods has been overtaken by technology. And, along with the blessings of technology, we have also reaped another harvest—a rural America in which millions of our people live and die in a culture of poverty.

While America moves ahead in material affluence, these citizens have no share in it. These men, women, and children are paying for our technological advances with their substandard homes, their inadequate food and clothing, their lack of education, and their hopelessness.

There is a deep concern among us for cleansing the air we breathe and restoring our streams and rivers. We know this as conservation of resources.

I am here today to plead the need of another kind of conservation—the conservation of our rural people.

It is not easy to map out the wasteland of rural poverty in a single stroke.

There is a declining demand for agricultural manpower. Rural poor are isolated people. There is a dearth of community resources and leadership. The old and the very young are left behind as the youth leaves for the cities. And even greater handicaps afflict the Negroes, Mexican Americans, and other minority groups.

Poverty is to be found in all rural areas of the United States. But the incidence is heaviest in the South. A study of 1,616 counties in the United States, based on poverty indicators such as welfare recipients, housing, and educational levels, shows that rural counties are the poorest in the United States and furthermore that this poverty is concentrated along the Coastal Plains from Virginia to Texas, throughout Appalachia, and in the Mississippi Delta. Smaller but nonetheless severe pockets of poverty are to be found in rural areas in the North, East, Midwest, and Far West regions. These are only some factors of poverty in rural America. You have heard many more discussed in detail both in Tucson and in Memphis. I do not intend to elaborate on them here.

What I wish to address myself to is the concepts and the programs with which OEO is attacking rural poverty.

To begin with, we are using the community action approach. We know that other approaches have been made, some of them very effective. But because they have not been coordinated, they have failed to achieve permanent change.

Operating at grassroots level, in direct response to local needs, a community action agency draws in the entire community, middle class and poor alike. What I am trying to say here is that the primary function of community action is to activate and coordinate all resources, or to create new resources, public and private, in combating poverty. In this, the poor have a voice in the decisions affecting them.

Just how many rural communities have moved into community action in this OEO program?

At the end of fiscal 1965, the number was 156. It covered 361 of the 2,464 rural counties in the United States.

Now there are four times that number—613 community action agencies—serving 1,535 rural counties. And 223 of these are among the 300 lowest income counties in the country, based on per capita income.

At the end of December 1966, the community action program of OEO had made grants of $301 million—28 percent of all CAP money granted to that date. This money went to programs for farm people, people in small towns, migrants, and Indians.

We know that this is not enough. But it is a beginning. It is the beginning of putting the community action concept to work.

Our experience is short—only 2 years. But we have already learned that community action agencies throughout rural America have already, in this brief time, moved forward in significant ways.

These agencies have carried out the coordinating and catalytic functions of community action. They have developed effective programs to attack the root causes of their local poverty. Poor people are finding hope and help in programs of adult education and Head Start, vocational training, health services, legal services, Neighborhood Youth Corps; programs that help them learn how to grow a marketable crop, and help them join a cooperative to get a good price for it.

One of our very popular programs is Green Thumb, a pilot demonstration project funded by OEO under the Nelson amendment.

Let's look briefly at one umbrella-type CAA serving nine very poor counties.

The Tennessee Elk River Valley Association covers a region which has all of the characteristics of an economically depressed rural area. The CAA is using Federal, State, and local resources in serving 225,000 people in a region which has lost 40,000 in population since 1950. About half of the people earn less than $3,000, and one-fifth earn less than $1,000 per year. The association operates a neighborhood center program through 4 primary centers and 28 subcenters. It provides health, job placement, consumer education, homemaking, education, and neighborhood mobilization services through its centers. Programs operated by the Elk River CAA include Head Start, Neighborhood Youth Corps, Upward Bound, Legal Services, Medicare Alert, and Home Start (an outreach program to Head Start families). Other examples include: Arvac, Ark.; Cumberland, Ky.; Shawnee, Ill.; Northwest, N.J. This is not all that the CAA is involved in, but it is enough to show what is being done in hundreds of rural community action agencies all over the country.

Indians

The community action agency has proved to be an especially useful instrument in serving the needs of American Indians who remain on reservations. The Office of Special Field Programs in CAP has been instrumental in helping Indians define and articulate their needs, and developing the plans for solving their own problems. Head Start has been a particularly valuable training ground for Indian children, by serving as a cultural bridge between life on the reservation and their public school experience.

We have developed a cooperative low rent housing program on the Leech Lake, White Earth, and Red Lake (Minn.) Reservations. Joint efforts of OEO, MDTA, HUD, BIA, and HEW undergird this effort. This joint venture provided for the construction of 45 homes while training 90 local residents in home construction. In one such pilot project, 7 of the 30 trainees received journeyman's cards from the Building Trades Union and the others received apprenticeship cards after a year of additional training. In summary, OEO has made 108 separate grants to American Indians, totaling $23 million in antipoverty efforts, during the past 2 years.

Migrants

Another disadvantaged group which has been the object of special attention is the seasonal agricultural worker. This group rivals any other in our society in being isolated from the benefits of economic growth and progress.

Again, OEO defines its role as being the catalyst in the center of many programs which heretofore have been less than effective in dealing with the problems of migrants. A look at the results from 2 years of operation indicates that we have achieved some success.

A major breakthrough has been achieved in basic adult education. Many migrants are getting the opportunity to receive elementary literacy training for the first time. Day care programs have provided protective care, nutritionally balanced meals, and basic educational training for the children of migrant farmworkers. Self-help housing has made a substantial impact in the areas where it has been undertaken. Migrant heads of households have learned a useful skill while providing improved housing for their families. An excellent example of how this program works can be seen in Tulare County, Calif. In this community, 50 houses have been completed under the self-help plan. The goal is to complete 250 homes per year in the county.

For the entire country, $50 million has been appropriated and spent for migrant projects during 2 years of operation. Programs have been conducted in 35 States, under 96 separate grants, and serving approximately 150,000 people.

In making application for OEO funds, sponsoring groups have been encouraged to be as inventive and imaginative as possible in developing programs. With the increasing mechanization of agriculture, even more imaginative programs will be required in the future if this segment of our people is to escape permanently the encumbering conditions of poverty.

Future Thrust

For many rural areas, the organizational phase of the community action program is now past its peak. Emphasis for the future must be placed on improving the quality of programs in operation, upgrading program content, personnel, operation, and administration. Our emphasis will also be on expanding services in order to reach every poor family needing them, and the search for better ways to deliver the services which are needed. We view the community action program concept as a dynamic and ever-changing idea, which it must be in order to serve the needs of poor people in a dynamic and ever-changing economy.

For many other rural areas, the organizational phase has not yet started. In these areas, racial discrimination, long-entrenched "courthouse" standpatism, or simply the lack of any community organization on which to build have kept community action from even getting off the ground. There are no simple solutions here. The fact that you as a Presidential commission are devoting your time and talents to seeking solutions to rural poverty is adequate evidence of this.

The Job Corps

Although community action is the primary instrument for serving the needs of our rural poor, other OEO programs are playing a vital role in the total effort against poverty, by supplementing education and training services, and dealing with special segments of the rural population. The Job Corps is one such program.

This program consists of 113 urban and conservation training centers, which are designed to provide work experience, and educational and vocational training for young men and women 16 to 21 years of age who are poor. Job Corps expenditures for fiscal year 1967 are expected to approximate $355 million, and will provide services for 89,000 young people. Forty percent of all Job Corps training slots are earmarked for youth from rural areas, and this translates into more than $140 million in direct pay and allowances, plus training and support costs for the rural-oriented segment of the poor youth population.

Construction work on the centers located in rural areas has amounted to over $80 million.

The impact locally of the presence of a conservation center is a direct dollar input of $1 million a year, nearly half in salaries and wages of staff and in the corpsmen's monthly checks. In the case of larger centers like McCoy, Wis., this direct input would be in excess of $5 million a year. Altogether centers located in rural America have a direct dollar input in the range of $100 million a year. By the economist's usual formula the total economic impact would be something between $200 and $300 million a year.

In addition, Job Corps boys and girls are sending home allotments of more than $1 million a month—a direct cash assistance to families in rural areas where cash is in short supply. For example, since 1965, allotments to Mississippi totaled $442,940; to Tennessee, $323,100; to Texas, $1,264,880; to Alabama, $551,747; and to Louisiana, $535,820.

Neighborhood Youth Corps

The Neighborhood Youth Corps serves the poor youth population within the same age range as the Job Corps. The primary difference is that the youth who enters NYC does not live in a home environment which is so disruptive or deficient that he must be provided a different residential setting before efforts to increase his employability are attempted.

The NYC funds available in fiscal year 1967, $325 million, will make 125,000 enrolee spaces available in the in-school program, 63,000 spaces available in the out-of-school program, and 165,000 spaces in the summer program. Given the fact that 30 percent of the program's enrollment is in rural NYC projects, more than $100 million will be paid to poor youth for useful work performed in their communities. This undoubtedly will have a substantial impact indirectly on rural communities and directly on the recipients.

Volunteers In Service To America—VISTA

One program which has less direct monetary impact on rural poverty, but which is regarded as an increasingly effective tool in fighting poverty, is the Volunteers In Service To America. This program uses highly motivated men and women 18 years of age and older as teachers, social aids, health aids, and counselors to the poor. At the end of December 1966, 1,478 VISTA volunteers, about 50 percent of the total, were working in rural areas, slightly more than a third of whom were with the migrant and Indian program.

The VISTA program both complements and supplements other rural antipoverty programs sponsored by the Office of Economic Opportunity by providing services in isolated individual poverty situations. VISTA volunteers can be effective as forerunners to community action. Today, there are ex-volunteers serving as full-time employees in rural CAA's. The shape and design of VISTA's program for the future will also emphasize service in areas which can effectively complement other major antipoverty efforts. This means that more than half of all volunteers will continue to serve in deprived rural communities.

Work Experience

The work experience program has been effectively utilized in rural poverty areas. Forty percent of the enrollees, all of whom are on welfare rolls and unquestionably among the hard-core poor, are residents of rural communities. This program provides work experience and job-training opportunities for adults unable to support themselves and their families. The total funds available for use in rural areas this fiscal year are $40 million, which will provide comprehensive supportive services, job experience, training, and maintenance support for nearly 33,000 rural inhabitants.

Rural Loans

One final example of antipoverty efforts now underway in rural areas is the rural loan program. The objective of this program is to increase the ability of poor rural families to raise their incomes through their individual efforts or in cooperation with others by making capital available to them on reasonable terms. Loans are not made to individual applicants nor to cooperatives where credit is available at reasonable rates and terms from other sources in the area.

Total funding for fiscal year 1967 is $39 million, which will provide for 11,400 initial individual loans and 6,400 cooperative loans. The impact is substantial because 87,000 persons in the families of loan recipients are expected to benefit from these loans. As of the end of December 1966, 34,000 loans had been granted to 40,000 individuals and members of rural-based cooperatives.

Problems and Conclusions

In this discussion so far, I have tried to convey to you the gravity with which we view the challenge of fighting poverty in rural America; our concepts for meeting the rural poverty problem; and the focus of OEO programs which are now in operation in poor rural communities. I would welcome your questions on these points.

In conclusion, I would like to offer for your consideration some ideas which we believe have merit for possible use in poor rural areas.

It will not surprise you to hear me say that the shortfall of funds is our most critical problem.

For the current fiscal year, the budget submitted by the President would have enabled us to expand the programs of rural CAA's. The budget request was for $1.75 billion for fiscal year 1967, but the Congress appropriated $1.613 billion, and unfortunately the major cutbacks were made in CAP programs. We are hopeful that the President's request for $2.1 billion in fiscal year 1968 is treated more generously by the Congress than was the case last year. With these funds, we can look forward to strengthening existing CAA's, building quality into them, and creating at least 50 more in rural areas.

There are other problems which demand a lot of our time. Outreach, for example, in some of our most isolated rural communities is a problem of major dimensions. There is the problem of providing assistance to poor people in areas where there is absolutely no framework with which to operate, or foundation on which programs can build.

Another problem is building a community action program in a community where there is no framework of existing resources and institutions—no infrastructure, if I may use the word—on which to build—and no leadership to conduct a program. These communities need individual help and much time, in order to develop a functioning community organization which can represent all segments of the community—which can effectively focus on the needs of the poor, coordinate existing programs, and create new ones.

Finally, we must confront the pivotal issue on which all others hinge, at least as far as the poor themselves are concerned, that is, opportunities for gainful employment. In a word: JOBS.

Work training and education will convert many unemployed individuals to employable ones. Then the question becomes, where are they going to work? Job creation for rural inhabitants is a matter of major concern in the fight to eliminate poverty in rural America.

I have cited only a few of the major problems. We are working in a new dimension and we are learning as we move. We have had some successes but nowhere near enough. Now in concluding, I will cite briefly some of the ideas that we believe have promise as tools to improve our rural programs.

One recommendation which receives strong support within OEO is the grouping into multicounty CAP agencies of counties in nonmetropolitan areas.

Then another level of organization would require grouping these multicounty areas into federations of community action agencies.

An umbrella agency in each would coordinate Federal, State, and local programs including poverty, labor, education, economic development, and health and welfare. The umbrella agency would be established by OEO grants. Existing Federal agencies would contribute personnel. The umbrella agency would work with State and local resources. This federation of community action programs would serve to insure maximum use of resources together with maximum participation of the poor and residents of the area served.

It is our belief in OEO that the loss of population in depressed rural areas was a result not only of the decline of employment opportunities but also a collapse of public and semipublic services.

It can be theorized that the absence of public and semipublic services defeats EDA-type attempts to create a new economic base in the area.

We believe that the nation should mount demonstration programs in a pilot rural area which will meet national minimum standards for such services as health, education, welfare, training. These demonstrations would test whether the existence of these services and the resultant upgrading of human resources will make it easier to reestablish an economic base in these areas.

Other recommendations which we wish to make involve:

(1) Extending legislation dealing with minimum wages, labor standards, unemployment insurance, and labor-management relations to all agricultural workers.

(2) Extending the Federal Employment Service to rural areas and in-

cluding the functions of the Farm Placement Service as an integrated part of USES.

(3) Amending the Farmers Home Administration (USDA) legislation that deals with county committees so that membership can be more representative of the borrowers served by the various loan categories. Many borrowers are nonfarmers; most county committeemen are farmers.

(4) Requesting Federal agencies to reassess their fund allocation procedures to insure that rural areas receive an equitable share of program resources.

(5) Establishing for those rural poor who wish to seek urban employment a comprehensive financial assistance and counseling service which will facilitate an orderly transition to the most promising economic opportunities available.

These are the problems and the challenges of this program, and our views of what is being done and what we believe can be done to conserve the human resources of our rural areas. It is our intention to give a full measure of energy and effort, together with all of the resources we can command, to restore to rural Americans their birthright in our society.

STATEMENT SUBMITTED BY EDNA TOLSON, BRANDYWINE, MD.

SUMMARY

The problems of rural poverty are deep rooted in the thoughts, lives, and customs of the community. Often the general public has opinions which are unfounded. The popular opinion is that the poor are shiftless, lazy, and not desirous of a better way of life. Or simply that this is good enough for them. This is very wrong thinking. The poor need and desire the same things the affluent need to make them happy. A person working in a better environment cannot help but desire a better way of life when a comparison is made to their own.

However, the handicap is poor education, lack of transportation, lack of employment, and neglect by our governments, local, State and Federal. Even the poor people in a poor community are exploited by those who do get ahead. I am thinking if the poor person could get information of all kinds, and understand their relationship to people and programs, be encouraged to vote and participate in community and government, a grasp of the new opportunities being offered would help an awful lot in alleviating rural poverty. I feel the government must demand the poor be involved as much as possible regardless of public opinion.

MY PICTURE OF RURAL POVERTY

I am attempting to give you a picture of rural poverty as I see it. In a rural area the economy is mainly geared to agriculture. Yet most of the landowners seem to work out of the area. They employ tenant farmers to farm the land.

The landowner with lots of land, a small family, well fed and clothed, and with more than adequate transportation, has contacts with the affluent members of his community. These people are living in a comfortable situation. Their children are secure and assured of a higher education and a good job. On the other hand, there is the tenant. He works long hours for poor wages. He owns nothing. He rents his house from the landlord. His family is large and usually inadequately clothed and often poorly fed. School attendance is poor, because the older children are often minding younger brothers and sisters or working to supplement the family income. It is said there are equal opportunities in education and employment for all; in reality this isn't true. Because of losing time from school the child doesn't learn basic skills necessary for higher education. Thus the rural young person is often unemployed or underemployed.

The tenant works long hours for poor wages; often as little as $5 a day. His wife works as a domestic for the more affluent members of the community. At the end of the day they come home to their family. They have wood to cut, water to carry, a house to tidy up, which is impossible to do because of five or six small children in a very small house. Dinner must be prepared, laundry done, etc.

On seeing the conditions under which they live, you may view these people as lazy and indifferent, but this is not so. They are simply tired and weary from working all day, with not much time or energy left for their family. The hours worked by these people are longer and more tiring than for the average citizen.

We have looked at the plight of the tenant farmers, but there are other types of persons in rural poverty. There are the persons who rent but are employed outside their community, those who own their own homes, and those having their rent paid by welfare and who live there because there is no place to go.

All of these persons share mutual problems. I will discuss these problems one at a time.

1. *Housing.* Living in substandard housing is a tragic experience. Yet most all tenant homes are in this category. These poor homes stand out like a blight in the rural area, often far back and out of sight, but they exist. They leak; have sagging porches, floors, and ceilings, broken windows filled with cardboard, poor electrical wiring, and cracked chimneys. These last two conditions are fire hazards, often the cause of the rural house fire. Sometimes even the weather boards are rotten or even missing from the house. The walls have holes and the floors are broken. If these problems are brought up to the landlord, you get no results as a rule. Just promises. If you dare report him to the building inspector he turns out to be their friend or at least to know him and nothing ever gets done. You report him to the welfare, health department, and building inspector. They all refer, postpone, or threaten to condemn until the tenant just gives up and moves into a different house with the same problems. Housing is a major problem in rural poverty. It needs immediate attention and legislation to make it available to those who need it, here and now.

2. *Sanitation.* Sanitation enters the picture of housing because often there is no water, or else water not adequate and unfit for human consumption. I was a tenant having trouble myself, with water that was just plain dirty and trashy. I decided the water had better be tested for the welfare of myself and family. The Health Department ruled this water unfit to drink unless boiled for 15 minutes. I was afraid I may be hurried and not sterilize it properly so I would not drink it at all. I carried water from a spring a quarter of a mile away up a steep bank to my home. A family of nine uses plenty of water for its normal use. We carried this water in buckets, cans, gallon jugs, etc., often making several trips a day just to have water for our use. Finally we could only get water out of the pump sometimes and couldn't use it at all except to flush the indoor toilet. We had to wash with branch water brought by car whenever possible from 1 to 2 miles away. In winter this was all right, but in the summer the children got the itch from wearing clothing washed in this water. I even noticed the water not flowing freely, with a block of foam around it and realized because of the debris in it, it was probably contaminated and unfit for use. Because we had to store it the water became rancid and unfit for use. I told my landlord and health department of this problem. The health department wrote and told the landlord to clean out the well and disinfect with chlorine. They did one thing—cleaned out the well and refused to chlorinate it. They finally refused to fix the well so with no choice we carried water summer, winter, spring, and fall. I know the spring became polluted because we could not care for it properly. I feel my children were lucky to escape typhoid fever and other diseases associated with polluted water.

We had indoor plumbing but no running water. We could not keep the bathroom clean by carrying water to flush the toilet and clean the fixtures. Our landlord was to build an outdoor toilet according to health department specifications, but when he did build one it was far away from the house where the septic tank flowed on top of the ground and we always had an odor.

There is the constant threat of rats in these areas. We had to always keep poison down in secure areas, away from the children, in order to control them.

3. *Services, Public and Private.* There are many services offered that the poor can benefit from. They cannot use them if they do not know of them. There is a wide break in communications and information that the poor receive and the affluent receive. Although they may not be able to express themselves adequately, they are in need of these services and would benefit from this information. Many times the people who do not know of the services are the ones eligible. Many times, as in loans for homes in rural areas, the information as to where and when and how is lost to the poor. They go blundering about from place to place, only to be told you cannot

apply. You cannot receive it. Yet there is evidence of misuse in all these areas.

With the social services, such as health, welfare, social security, etc., there are long trips to the agencies to apply, long waits, misunderstandings while the eligibility is being checked; and no matter how urgent the need is, you wait. Many persons do not know they are eligible for emergency aid from welfare, or if they are working they can receive medical assistance. Many do not know or have never heard that glasses and in some cases dentures may be acquired by contacting the health department.

Social services waste a lot of time by not requesting all pertinent information at one time. I know some persons who did not know that their baptismal record is often accepted in place of a birth certificate. Some never apply for benefits because of hearsay, which is often wrong, and they lose out by missing deadlines, etc.

There should be some way information could be cleared before an appointment is given so as to save the many trips into an agency. Why can't there be more agency communication and correlation? It is silly to believe in an agency that has intake services, if one person is absent no one else can take their place. This fallacy happens and the persons can ill afford several trips, transfers, and postponements.

Many of the existing regulations defeat the purposes for which they were created. The poor are often discouraged at the lack of courtesy shown by most agencies. Most are polite, but many are not. The persons who come to an agency seeking help and in need should be treated with dignity.

4. *Transportation.* When you have to walk to get everywhere, this problem is visible in daily affairs. You must own a car to be able to navigate in rural areas. Because stores and what little facilities are available, are far apart, you need transportation to benefit from them or to encourage new ones to come in. I mean also, jobs can only benefit poor people if they can get to them. Transportation is the key to getting people to services and more services to people. The key to getting industry and other community improvements in the area lies with being able to get to the area of the people. Many rural people have one or two cars who cannot afford them but find it necessary to shop, work, and move in and out of the community.

5. *Employment.* If jobs could be created in the areas where people live this would benefit the community. Or transportation must be provided to the jobs. I prefer jobs where the people are; it leaves time to utilize wages, enjoy leisure, and benefit from working. Somehow, skills and trades must be taught to rural persons unemployed to make them capable of work. Jobs must be created to a person's skills and knowledge. Training programs for rural youth and their parents must be provided to enable these persons to be lifted from their lethargy and into a useful life. If they can find jobs, many would be willing to leave public assistance and work.

6. *Consumer Education and Information.* You could not afford to be poor. It costs so much to be poor. It costs so much more for services and everything, that as you are you could not afford to be poor. For example: several trips to the Prince Georges Hospital in Cheverly. The distance is 66 miles round trip, with the cost being $5 per trip. Many times two or three trips a week must be made, for clinics, tests, and other necessities.

If the poor can be taught a larger sense of values, how to get better services, and better values for their money, they can get an immediate lift which will inspire them to continue to wisely use their earnings and create better living conditions for themselves. These can play an important part in lifting the morale of the rural poor. Some families receive help from the Extension Service. I find they are present in my area. I make use of their services and believe the poor could use their services in this field.

STATEMENT SUBMITTED BY JAMES L. VIZZARD, NATIONAL CATHOLIC RURAL LIFE CONFERENCE

Mr. Chairman and members of the Commission, my name is Father James L. Vizzard, S.J. I am director of the Washington office of the National Catholic Rural Life Conference (NCRLC) at 1312 Massachusetts Avenue, Northwest, Washington, D.C. I also represent the Bishops' Committee for the Spanish Speaking.

The Conference and the Committee are grateful for the opportunity to be heard today. We also appreciate and praise the very fact that this Commission has been holding these hearings and is charged with the responsibility to make recommendations on how this nation can more effectively deal with the problems of rural poverty.

By this time, and at the tag end of long hearings, there's probably not much left for us to say about rural poverty which you haven't already heard. For that reason our statement will be limited to several points to which we wish to give special emphasis and to one positive proposal which possibly has not yet been placed before you.

It is not necessary for us to repeat what others, we're sure, have more than adequately described: the extent of rural poverty and its particular characteristics. The very existence of this Commission demonstrates that while poverty everywhere can simply be described as lack of money and while the strategy of the War against Poverty has many similarities whether it is being fought in the urban or the rural slums of America, there still are significant differences between these two sectors of the battlefield. In the urban slums the enemy—poverty—is highly concentrated and highly visible; in the rural areas the enemy is scattered, often hidden from sight, and always hard to come to grips with. In a sense, rural poverty, because it is more diffuse, is less explosive, less a threat to civil harmony, easier for most of us to ignore.

Partly because of that invisibility and partly also because the problems of rural poverty are complicated in large areas of our country by deep-seated racial prejudice and discrimination we have, up until now at least, devoted relatively little attention and resources to the poor who are scattered over the countryside. We suspect that rural poverty is now coming into the national focus, in part at least, because the realization is growing that the problems of our crowded urban slums have been and are being aggravated by the constant influx of the refugees from poverty-stricken rural areas.

At any rate, it seems to us to be obvious that the attack on rural poverty has been wholly inadequate both in effort and in results. We are well aware of the programs of the EDA, RAD, FHA, SBA, MDTA, HEW, the Extension Service, as well as the OEO and other Government programs. Indeed, Monsignor O'Rourke, NCRLC Executive Director, serves on the RAD Advisory Committee and on the OEO Rural Task Force; I am pleased to serve on the National Advisory Committee on Economic Development, and both of us serve in consultative capacities to many of the other Government programs. Our knowledge of these programs convinces us that they operate mainly on the fringes of rural poverty. They are helpful, of course, but for the most part they deal only with the easiest problems, with the rural poor who are easiest to reach. The hard-core rural poor are scarcely even touched.

If we can distinguish between various categories of the rural poor, the main groupings would be: (1) the farmer whose capital resources are simply inadequate to support a decent standard of living; (2) the tenant and sharecropper, particularly of the Deep South, whose minimal and precarious existence is further deteriorating because of rapid mechanization and consolidation of farm operations; (3) hired farmworkers, principally those who are migrant and seasonal; and (4) the elderly and the physically or mentally handicapped whether on the farms or in the small rural communities.

Those in the first category can be described as marginal farmers. For some of them a relatively small infusion of new capital and technical assistance might raise them to an adequate level of living. For others in this group, the socially and personally most desirable assistance that may be given is the creation of other than farm jobs coupled with intensive job training.

Those who have the potential to stay in farming should be enabled to do so. If they and their families, with help, can achieve at least an adequate living in agriculture, they and society will be far better off than if they join the flight to the city. Whatever is invested now in making farming more profitable and attractive for them will return far greater dividends to them and to our nation.

Moreover, these farmers and their families are needed for the stability of their rural communities. Already the exodus of those who have been squeezed out by the harsh workings of the agricultural revolution has created too many ghost towns in the countryside. At a time when urban crowding is being recognized as a major national problem it makes no sense either economically or socially to allow small-town living to disappear from our society. But unless the Main Street banker and merchant, the schools and the churches, have people to serve, they too must pull up stakes and another potentially viable town goes down the drain.

For those of this first category who, for one reason or another, simply can't make it in farming, or at least in farming alone, it seems far better to provide them off-farm job opportunities and training for those jobs than to add them to the cityward migration. Many of the other-than-farm income opportunities could be in the field of outdoor recreation, the fastest growing sector of our economy. Other possibilities, not yet adequately exploited, include small processing and manufacturing industries related to the food, fiber, and forest products of the areas. Economically it makes little sense to transport these raw materials to distant plants. The more value that can be added to the products at the home base, the greater will be the local economic return.

The second category, sharecroppers and tenants, seems destined for almost total extinction within the next decade or two. Already, in recent years, tens of thousands of them have been driven off the land. As previously noted, a large proportion of these desperately poor people end up in the already crowded city slums where they arrive without adequate education, marketable job skills, or preparation for life in unfamiliar and even frightening surroundings. Any effective poverty program for them will require a massive infusion of economic and social aid. But, again, the cost of not helping them in the end will be much greater both to them and to society.

It is no secret that the problems of this large group of the rural poor, as well as many of those in the previous and the following categories, are greatly aggravated by the effects of racial discrimination. For instance, the 1965 report of the U.S. Commission on Civil Rights, "Equal Opportunity in Farm Programs," demonstrates beyond question that the many programs of the U.S. Department of Agriculture have been used as weapons against Negro farm people. In one fashion or another, all of these programs are under the control of the local white power structure, which regularly makes mockery of equal opportunity. We're sure you have the details of that report in the record of these hearings. We also know that USDA spokesmen have testified before this Commission and that they have claimed at least limited success in enforcing the requirements of law that segregation and discrimination be eliminated in federally financed and administered agricultural programs. That may be so, but a great deal still remains to be done.

It should also candidly be recognized that the programs of the USDA are under the gunsight of segregationist Congressmen and Senators in the Committees on Agriculture and Appropriations. The implicit threat is always there, and sometimes it is made very explicit, that if the Department of Agriculture pushes too hard the southern segregationists will, as one famous Louisiana spokesman said, "cut off their water."

Moreover, the case can easily be documented that not only the control of government programs but also the changing agricultural technology in the deep South has been brutally used to punish Negro tenants and sharecroppers who exercise their civil and legal rights. Undoubtedly, mechanization and consolidation would have gone on in any case, but the suddenness and harshness of its accelerated adoption can be traced directly to the civil rights developments of the past few years. It follows, we believe, that this nation which, after so long and agonizing a delay, finally has made a beginning at protecting Negro's civil rights now has the concomitant obligation to help meet the urgent economic and personal needs of those who are punished for exercising those rights.

In recent years, the plight of hired farmworkers, particularly those who are migrant and seasonal, has begun to be understood by this nation which has long neglected them. Since a significant proportion of these workers are from minority groups, particularly Negroes and Mexican Americans, among the other hardships and handicaps they suffer is that of racial discrimination. Nonetheless, 5 years ago, Congress passed the Migrant Health bill, the first piece of national legislation ever designed to meet the particular and urgent needs of this group. Since then, other helpful, even though relatively peripheral, legislation has been pushed through Congress. The legislative agenda, however, which must be met before this extremely depressed group is brought into the mainstream of American life, still remains long; and unquestionably it will be difficult. High on that list is the need for

National Labor Relations Act coverage, unemployment insurance, higher and broader coverage by the minimum wage law, and more effective security coverage. In the meantime, existing government programs must reach out more effectively to meet their special needs in education, health, housing, and job training.

While discussing the needs of farmworkers, we believe that special attention should be given to the extension of the National Labor Relations Act to these unorganized workers. We believe that nothing could more quickly and more effectively answer their needs than the protection and facilitation of their right to organize and to bargain collectively with their employers. If this right could be secured, workers through their own organization and efforts could do more for their own economic and social well-being than could any of the helpful and even necessary government programs now in operation or even contemplated. The whole history of the labor movement, and in particular the recent developments in Delano, Calif., conclusively demonstrates the validity of that judgment.

There is one aspect of the Delano struggle which we believe deserves great emphasis. As this Commission knows well, for some year and a half striking grape pickers there have been attempting to secure bargaining rights and a union contract with their employers. So far, the United Farm Workers Organizing Committee (UFWOC) has achieved some successes but only at the cost of extreme hardships and human suffering. Moreover, despite the workers' remarkable fidelity to their pledge of nonviolence, the community has been racked by dissent, bitterness, and conflict.

This prolonged struggle is a direct result of the legislative exclusion of farmworkers from the provisions of the National Labor Relations Act. Without legal provisions and procedures for the resolution of such a labor-management dispute, every situation inevitably becomes nothing more than a power struggle. It seems likely at this point that the workers eventually will succeed in Delano. It seems almost certain that the farmworker organizing movement will then spread to other parts of California and to every part of this country which employs significant numbers of migrant and seasonal workers. Indeed, the movement has already leaped to Texas where, in Rio Grande City, the UFWOC is locked in conflict with the growers and their allies.

In other words, the future holds dozens and even hundreds of Delano-type confrontations. It seems to us to be highly unlikely that these other Delano's will be characterized by the highly unusual nonviolence which has been maintained there. We do not expect the workers to instigate physical conflict but rather, as experience has already shown, we expect it to come from the other side, often under the specious color of law. If, therefore, this country and, in particular, our rural communities and the agricultural industry itself are to be spared prolonged, bitter, disruptive, and perhaps even violent conflict, we should move as quickly as possible to provide the well-established and successful provisions of the National Labor Relations Act to farm labor.

The fourth category of the rural poor, the elderly and the handicapped, should, we believe, be considered primarily as a welfare problem. Their age or personal limitations make it highly unlikely that they can ever be fully self-supporting. Their need, therefore, is for public assistance of a kind and amount to provide them with adequacy and decency. They need more adequate and more readily available medical help. All too many of them have a truly desperate need for better housing. Most important of all, of course, is their need for a more adequate income primarily from public sources.

It must be obvious that effective programs to meet the urgent, unmet needs of these four categories of the rural poor will be expensive. It will require considerably greater funds than any yet made available. It will also require programs which are specifically and knowledgeably designed to meet the rural poor where and as they are.

To conclude our testimony, we would like to make one positive proposal which perhaps has elements of originality. Our ideas on this proposal are catalyzed by the legislation passed by the 89th Congress called the demonstrations or model cities program for which President Johnson's fiscal '68 budget requests something over $400 million for a start. We think this new program is highly imaginative and very promising. But we ask why nothing comparable has been suggested for the rural slums. Why would it not be possible to have demonstration or model rural areas? Would it be difficult, at least in principle, to design a program in which the Federal Government designates particular rural areas of larger or smaller sizes where, as with the model cities program, the full impact of all appropriate Government programs could be brought to bear on the multiple needs of these areas and communities?

We do not feel competent to spell out all the details of such a proposal, but we can envision the rehabilitation of rural slums through a proper adaptation of the model cities idea. We believe, moreover, that we have identified a particularly advantageous and ready opportunity to make a beginning along these lines. That opportunity, strangely enough, is found in a situation which to the U.S. Department of the Interior is a major problem. Let us explain.

The Federal Government, through the Interior Department's Bureau of Reclamation, has spent, is spending, and will spend billions of dollars in developing water primarily for irrigation in the Western States. The law authorizing such Federal expenditures, the Reclamation Act of 1902, specifies that the purpose and justification for such use of taxpayers' funds is the prevention of land and water monopoly and the wide distribution among the people of the benefits of reclamation projects. This objective is to be achieved by limiting the amount of water to an individual holding to that required to irrigate no more than 160 acres. Anything over 160 acres in these reclamation projects is commonly characterized as "excess." Holders of excess land in federally subsidized irrigation districts may receive water for all their land for a period up to 10 years provided that they sign a recordable contract to dispose of the excess during that 10-year period.

As a result of present and future operations of the Bureau of Reclamation, hundreds of thousands of acres of fertile excess land are and will be becoming available in California and other Western States. The high capital value erroneously and illegally placed on these lands and other complications are stymieing the Interior Department's effort to assure the disposition of these lands to other than speculators or absentee landlords. Unless an entirely new approach is taken, the end result of the expenditure of enormous sums of taxpayers' money will be the very opposite of what is intended and demanded by the Reclamation Law.

We suggest that this problem be looked upon as a unique opportunity. It happens that in the very areas where these lands are becoming available, there are tens of thousands of the rural poor, many of them migrant and seasonal farmworkers, who, up until now, have been excluded from their fair share of the agricultural wealth they have helped to produce. Why could not at least a pilot project be undertaken to demonstrate whether or not, with proper help, units of these excess lands could be transferred to the ownership and operation of select groups of these farmworkers who for so long have done everything on these farms and ranches except to manage and profit by them?

To be very specific, at Delano, the focal point of the current labor management conflict, one particular ranch, the Sierra Vista owned by the DiGiorgio Corporation, is under the legal obligation of divestiture. It comprises about 4,000 acres of table and wine grapes. Despite efforts of DiGiorgio and of the Department of the Interior over a period of some 2 years, buyers simply have not been found for most of the 160-acre and smaller units into which, in accordance with the law, the Sierra Vista Ranch has been divided. That situation cries out for a new and imaginative solution lest it become a permanent embarrassment to the Department of the Interior and a persistent barrier to the attainment of public policy.

Our suggestion, we believe, has the beauty of simplicity. We believe that the undivested lands of that ranch should be purchased outright by the appropriate Government agency or agencies and then either through sale or lease be turned over to the farmworkers who have invested so large a part of their lives and energies in those fields. Obviously workers, unschooled in the intricacies of management, would have to have supervisory and managerial help. Very likely also the sale or lease price on the land would have to be subsidized. In addition, as with the model cities program, a whole bundle of specialized services would certainly have to be provided: credit at favorable terms, technical assistance, development of various cooperative institutions including particularly cooperative purchasing and marketing, as well as the standard necessities of health, housing, and education which the people already are in need of.

If such a pilot project were successful, and we believe it could be, it would serve as a model for the use of the hundreds of thousands of other acres of excess lands which by law are now available or will soon become available throughout the Western States. Moreover, if the idea works, we see no reason why, with proper adaptations, it could not be applied in nonreclamation areas. Why not something comparable in the rural slums of Alabama or Mississippi? Might not something like this be at least one answer to the critical problems of the marginal farmers, tenants, and sharecroppers who are so rapidly being displaced and dispossessed by the workings both of the agricultural revolution and of racial discrimination? Instead of more of them being crowded into the dismal and dangerous urban slums, could they not be offered a chance at a decent, dignified, and economically secure life in a rehabilitated model rural environment?

We know that our proposal, though simple in concept, would be complicated and costly in reality but so, too, will be the model cities program. We do not believe that our nation is so lacking in imagination and know-how as to be unable to solve the problems of the rural as well as the urban slums.

STATEMENT SUBMITTED BY JOHN D. WHISMAN, STATES' REGIONAL REPRESENTATIVE, APPALACHIAN REGIONAL COMMISSION

I am John D. Whisman and I am the States' regional representative of the Appalachian Regional Commission. This means that I am the representative of the 12 States of the Appalachian region. I am the States' counterpart of the Federal cochairman in the partnership arrangement which characterizes the Appalachian Commission.

I should make it clear that my statement is not a statement by the Appalachian Regional Commission, but is a statement of my personal views, based on my experiences in a series of work responsibilities which have led to my present position with the Appalachian Regional Commission.

In identifying my own interest and qualifications to speak to you, I should perhaps say that I have been a "poverty warrior" for the past 12 years or more. I prefer to identify myself as a "developer," but I have been working in a field of development which concentrates on the problems of underdeveloped areas where people are plagued with unusually severe problems of low income, unemployment, lack of opportunity, and all of the other social ills that attend such a situation. Obviously, the Appalachian region, while rich in resources, has some of these unfortunate characteristics. Our response in the Appalachian region to this problem has been to meet it with the creation of what we consider to be the nation's most advanced and successful program of development to eliminate such problems as poverty. My personal experiences have included a major role in each step in the development of the Appalachian program.

In Kentucky, in 1956, I served as President of the Kentucky Jaycees, and the following year I served as the first national chairman of community development for the United States Jaycees. During this year, we formed the Eastern Kentucky Development Council, for which I was the chairman. At the time, I was working in private enterprise, as a corporation sales manager. My voluntary work with citizens' groups led me into interest in the field of citizen involvement in public decision making and, particularly, in the process of development. In 1958, I became executive director of the Eastern Kentucky Regional Development Commission, which provided in 1960, the original set of recommendations for what is today the Appalachian Regional Commission and the Appalachian program. I then worked as assistant to Governor Bert Combs of Kentucky, with similar responsibilities related to gaining action on the Eastern Kentucky Commission recommendations.

As the Appalachian idea developed, we were able to see the Conference of Appalachian Governors organized. Governor Combs became the first chairman of the Conference and I became the staff chairman. At the request of the Conference of Appalachian Governors, President John F. Kennedy, in 1962 established the President's Appalachian Regional Commission for which I became executive secretary. Subsequently the Congress passed the Appalachian legislation, based on the report of the President's Regional Commission, and I subsequently have become the States' Representative on the Appalachian Commission.

I might point out that in the process of working with the series of programs involved in Appalachia, I also served on a number of task forces, including, specifically, the task force which developed the legislation for the Economic Opportunity program.

I therefore have some idea of how the present programs to attack problems of poverty and underdevelopment have been formed. I obviously have some points of view in regard to the present effectiveness of these programs and the manner in which they are being used, and it is these views that I would like to share with you this day in the hope that they may be helpful.

Because I know that you are obtaining a great deal of testimony from many expert witnesses, I want to point out that I will not deal with descriptions of the problems of poverty or with analyses of the data and information related to these problems. This is not because I do not regard this as important but because I believe that you have this information from other sources.

I will make some comments on the general question of poverty, but I will relate these comments to the particulars of poverty in rural areas.

My major purpose here is to comment on the manner in which I believe the nation's resources can best be mobilized to focus effective action upon the national goals to eliminate poverty. This goal has been strongly adopted and widely supported but also widely misunderstood. A great deal of action has been committed toward the goal, but the results are certainly not satisfactory as of this time. It is my opinion that the prime difficulty in achieving realistic results lies at the strategic base of the action, rather than in the question of the tactics or details. My comments on strategy, therefore, relate to my own experiences in the development of a strategy to meet the problems of underdevelopment and low income of the Appalachian region.

Many years ago there was an Englishman who declared his own war on poverty. The man's name was Robin Hood and his adventures in doing battle with the strong in order to help the weak have thrilled us all with a romantic view of one of history's most famous "poverty warriors."

I am sure you will recall that Mr. Hood's poverty slogan, with which he led his merry band into action, was, "We shall rob from the rich to give to the poor."

Much as I have always admired Robin Hood, and much as I admire anyone with the courage to "fight" for a just cause, it is my strong belief that we have crossed a threshold in our wars against poverty and man's other ills in which the strategies of the Robin Hoods are no longer appropriate.

We should remember that in the day of Robin Hood there was no national policy to "eliminate poverty." There was little question, in that day, that the elimination of poverty for any poor persons would probably have to involve a battle between the "haves" and the "have nots."

The significant change of affairs today—which is only the basis for the national declaration of a goal to eliminate poverty—is that there is, truly, "enough for all" in this age of affluence. We have reached that point in the history of man—at least in the United States—when it is possible with the existing technology and managerial skills known to us to convert the nation's resources into the necessary consumer items and services to maintain a reasonably comfortable way of life for every citizen of this nation. I say that we are upon the threshold of this situation. We have not achieved it but have determined that we are justified in adopting a goal to achieve it. Therefore, the leaders of our land—the "rich" if we may use this term in the broadest concept of being those who control the riches of our affluent nation—are today on the same side as Robin Hood and his merry band. Our war on poverty cannot be successful in attemping to rob from the rich, but it can be successful for the first time in history because it can involve the resources, the talent, the leadership, and the determination to achieve this goal of those who are capable, successful, or rich in our way of life.

This is a significant difference from the situation of the past which has not been adequately recognized.

There is no "land of poverty" on whose frontiers battle lines can be laid out—for poverty is an enemy within—of, by, and for ourselves.

Poverty is not a condition into which some people have been thrust and held by others. It is a condition in which some people remain from the past, in spite of the considerable progress of man in which more and more human beings have been able to lift out of poverty and are moving upward even further in the condition of affluence.

As we consider rural poverty, this broad strategic factor is most especially important. For it is in the rural areas of our country that the effect of the affluent society has been less successful.

There is a considerable association between the progress of general affluence in our society and the progress towards urbanization of our society. Originally, this factor was largely incidental to the industrial requirements for an amassing of a labor force at the point of industrial jobs. However, the factor of urbanization has become even more important in relation to the opportunity for people to move up from poverty because it is within the urban centers that the greatest concentration of services and facilities to aid the individual citizen in developing himself for other opportunities is afforded.

The point that I am making is that in the urban society, or in the urban areas, our public institutions have benefited more from a tax and resource base and from a concentration of major human skills, talents, and leadership to afford the greatest opportunity to a citizen to develop himself. The fact that the benefits of the new American urban life have not reached all urban citizens is related to the fact that we are just reaching the threshold of the time when we have begun to realize that we have the capabilities, not just to build cities but to build the right kind of cities, not just to create opportunity for some people but to create opportunity for all people.

Although the problem of the cities looms large before the nation at present, because of the great population involved, I would predict that—once the real problem is strategically enjoined as it is about to be—progress on the elimination of poverty will move more rapidly in the cities than in the rural areas simply because the capability for the job is present. At the same time, it must be realized that while the rural population as a whole is less than the urban population, the proportion of poor people in the rural population is much greater and, as we all know, the ghettos of the city are constantly replenished by the migrating poor people leaving the rural areas to attempt—in their own best way—to seek the so-called advantages of the urban life.

I am concentrating upon this kind of discussion, perhaps too lengthily, but with strong consideration and conviction of its importance, especially in the rural areas. The question of eliminating poverty for individual poor persons depends just as much upon the mobilization of the institutions of our society—most especially State and local government and local private institutions—as it does depend upon the individual actions of citizens. Although I have found intelligent and informed people who disagree with my next point, I would strongly insist that the poor person in a small community, without a large tax base, without local institutions of the kind normally found in even small urban centers today, and without technical and high level managerial skills present in the community, is at a greater disadvantage than a poor person living in a large urban center. I am not speaking about the relative discomfort or the poorness of the two individuals. I am speaking about the relative capability of the society in which they live to deal with their problem even when that society has declared that the problem is to be a priority goal for action. To put it more simply, a poor person in a poor community has two problems going against him, while the poor person in a wealthy or viable community has only one of those problems—given the policy decision of the community itself that the problems of the poor shall be attacked.

Efforts to eliminate poverty (or to effectively reduce it) like any other society goal, can only succeed when:

(a) Adequate resources exist to achieve the goal (we are convinced that this is true today);

(b) There is an understood and supported public policy set to meet the goal (this is true today, at least in part);

(c) The public processes are working at adequate efficiency to utilize the resources and the capabilities to best advantage (this is not yet true today in terms of the War on Poverty); and

(d) All significant groups of the public—including the target group—are really and realistically involved in the process (this is not true today, nor have the realistic means to make it true been implemented—especially in rural areas).

Now I would like to summarize in brief points the kinds of argument I am attempting to make to support a principal strategic position in relation to what is necessary to succeed in the War on Poverty generally, and most especially for the people of the rural areas.

If these factors are properly attended to, poverty can only be attacked successfully by a dual effort:

(1) To create opportunities for the poor to join the whole society, economically, culturally, and socially. This objective can be accomplished, not by the poor, but primarily, by everyone else excepting the poor. This is not to gainsay the need for reasonable (i.e., maximum) involvement of the poor in the process.

(2) To aid poor persons to gain such opportunity by special effort to extend to them the same abilities others have gained. Obviously, it is in the exercise of this second goal that the poor themselves must provide a primary involvement, although provision of facilities and services to act on this goal require special involvement of the "nonpoor."

This dual effort must be concentrated not just upon the poor, but upon the viable institutions of man. For it is upon these institutions that both objectives depend—to make opportunity and to gain opportunity—for the poor as well as for others.

The problem is not just to "provide for maximum involvement of the poor" as the act specifies. It is to involve more of society—and especially its established and successful institutional leaders—in subscription to the nation's policy that "elimination of poverty" shall be a recognized priority goal which is to be included in the goals to which key resources and talents are to be used. Also, maximum involvement of the poor does not require principal involvement at management and technical levels. We do not require—or gain—such involvement from the middle class.

The idea that "established institutions"—or, even, the "power structure"—are opposed to this policy is an unfortunate myth. There is clear evidence that such interests have always been significantly interested and challenged by the objective of service to those who need help—the sick, the ignorant, the poor. Certainly at least as much of human progress has been based upon the drive for service among the successful as it has been upon the drives of avarice. Today the new situation has two significant factors to enhance the drive for effective service by those who control the established institutions of service. The two factors are simply—

(1) Recognition that we have the capability to accomplish the goal of eliminating poverty; and

(2) The formal declaration by the Federal Government and by the many State and local governments, of the people's will to achieve this goal.

What remains to be accomplished is:

(1) To challenge not just the poor to involve themselves, but the most capable, the most affluent to involve themselves with the poor in achieving this particular goal.

(2) The problem of relating the particular goal of elimination of poverty with the nation's other priority goals in an overall program. The key point is not to mount an exclusive attack upon poverty, but to successfully include the elimination of poverty as a priority goal to share the success we are capable of achieving on the other goals of society.

(3) To develop then, finally, the specific techniques which will be most effective in mobilizing and using our resources and capabilities in special action to achieve this goal, as a priority within our overall efforts.

It is my conviction that, unfortunately, there has been too much of a Robin Hood approach in the War on Poverty, thus far. Instead of involving the successful leaders of our society at the local level and in our private institutions, we have tended to treat them as though they were "the enemy" and to do battle against them—to assert that they are unsympathetic instead of attempting to gain their sympathy and support—and to mount the War on Poverty as "an exclusive action for the poor" instead of as a high priority goal to be included in our total attack to build a greater society. At best, we have inadequately emphasized the role—and the stimulation—of the capable.

It is most significant that the problem of the rural poor is a problem which can only react to a strong program of total development. Only with the mobilization of local leadership, and strong technical assistance and leadership which can be provided in State governments, can effective actions be established in local communities *to create opportunities* through development of industrial, agricultural, and service jobs as well as through the development of public and private service facilities which relate as much to the manner of our life as to the provision of jobs.

Only through the same kind of mobilization of the knowledge and resources of our nation through leadership at the State and local level can we concentrate the education, training, and other kinds of services which will *allow the individual poor person to develop himself to be able to achieve the opportunity* in order to win his own personal War on Poverty.

I have dealt with this issue in broad brush, because the details involved would require much more time than you have here in this hearing. I would be pleased to try to provide the Commission with additional statements and material at a later time in outlining details related to the central point. I am concerned with such matters as the method of organization of local poverty committees; the manner in which technical leadership is provided in putting their programs together effectively; in the manner in which State and local government and existing private institutions are involved in these programs. I do not believe that this strategic objective has been successfully attacked. I believe that it can be--and I believe that the success of programs to attack rural poverty will depend upon the successful achievement of this goal.

I believe that the Appalachian regional development program is on its way to exemplifying the strategic approach to the problèm of eliminating poverty. Although our work is concentrated in Appalachia, the concepts and techniques we are developing can well be applied to the other areas of the nation and, obviously, would have most specific application to rural areas, generally.

In summary, I would cite the following points as key elements in the design of our strategy.

(1) The program is designed around determined goals, such as—

- (a) The development of areas and communities to provide increased public services, to permit successful private enterprise, and to select actions possible from slim resources to best achieve these purposes.
- (b) The accelerated provision of those specific facilities and services which will provide maximum training and educational, health, and other services to aid disadvantaged individuals to achieve self-help and to take the opportunity which may be created in the developed area—or even, if necessary, in some other place.

(2) The program intends to involve all programs of government and private interests, each in an appropriate way, but with a priority effort to include special action—within regular programs—to meet these priority goals.

(3) The program intends to allow for the involvement of all people and institutions. While this involvement can and must be, in many instances, voluntary, there are specific involvements that must be recognized as appropriate. A prime example is the proper provision for using State government as the primary source of public program leadership and local government as an appropriate extension of State government in this process. We have chosen State government—both because of its traditional constitutional role and because of its practical application in creating current program development—to take prime leadership in making Appalachian program action simply a major influence and component in all program actions occurring in local areas of the region.

(4) The program, finally, is actually expressed in the overall action of the comprehensive development programs of each of the various "development areas," each area program reflecting in the best way for that area the goals, problems, resources, and functional public and private programs and institutions involved.

Although elimination of poverty may have been a prime reason for the adoption and design of the Appalachian program—and the area programs through which it is expressed—it is not the exclusive, and often not even the principal, goal of major actions in the program. It is, however, given special attention in the design of each program and in the involvement of those who design and carry out the program.

If it is true to say that some people still *remain* in poverty and need to get out—rather than that some people have been *put* into poverty and are held there by others—then action to eliminate poverty must concentrate equally on the improvement of the society into which the poor are to go along with concentration on help for the poor in the going.

I would cite one consideration, which I find interesting, along this line.

There is a current belief, growing stronger with many informed persons, that the growth of the national economy is more and more related to, and concentrated in, the major metropolitan centers.

Yet we find that the core areas of the great cities are *not* the places of growth. Rather, the principal growth is taking place in the suburban rings of smaller towns near the metropolis.

America's growth occurs in the "suburbs."

What is a "suburb"?

It is a place to live near enough to concentrations of work and services to allow commuting to them—*but as far away from and as much unlike the city as possible.*

By his actions, the American citizen has said that he wants access to urban services provided in an environment as much like country or small town neighborhood life as possible.

I would submit that many of the nations' small towns or clusters of small towns upon which rural areas center form an equally proper design base for development and growth, for concentration of adequate urban service facilities, for creation of jobs and cultural opportunities, as do many of our cities. These towns—if involved in concentrated development efforts—can become the "suburbia" of the immediate tomorrow, without the problems of an existing and blighted city core.

I do not cite this situation to hearken to the sentimentality of the cry to preserve rural life and small towns, though there is merit in the cry.

I simply want to point out—from a practical point of view—that the "city" as we know it, grew through the days of the emerging industrial revolution and before the time of realization of its benefits, or of the benefits which can be afforded in the subsequent and current technological revolution.

The city was produced by the demands of early industrialization upon man —not by the design-controlled benefits which industry and technology can give to man—*today.*

Today the metropolitan city is both problem and opportunity—just as in the rural area. In resolving the problems—in meeting the national goals for a better human environment, for the elimination of poverty, for the creation of a greater society—we can succeed only through a well-designed approach to achieve success in both urban and rural areas.

In this same vein, it is also practical to point out that the culture of the Indian, the Negro, the Highlander, the rural resident is, each in its own way, of as key importance to our future as the culture of the highrise apartment dweller or the suburbanite who seems to epitomize our nonpoverty citizens.

Given our present technology—and the determination to relate it to goals of our own choosing by methods of our own design—there is no reason that the benefits of urban life cannot be secured in something other than the megalopolitan areas, or even in the smaller urban areas as we know them today.

It is essential that our strategy for the elimination of poverty not be so designed that we lift people from economic deprivation only to dwell in physical comfort in the wasteland of cultural poverty.

The key recommendation, then, which I would make to this Commission is that the elimination of poverty can be successfully attacked only when it is one of the high priority goals incorporated into comprehensive area development programs in both the rural and urban areas of the country.

(1) The nature and size of the appropriate place—the development area—cannot be exclusively, or even primarily, related to the problem of poverty, but must be chosen as an appropriate area (town and country) for program design and action.

(2) The nature of the sponsoring area group must, likewise, involve the well to do and most capable—and a broad representation of all interests—as well as the poor. (The proper organization of such groups to deal with overall program design for area, including but not limited to poverty purposes, is a key objective presently not accomplished in most areas.)

(3) The nature of authority for public action must utilize the existing framework established in our democratic system. In rural areas (and with some differences from metropolitan areas) this will include many considerations for local government and private institutions, but it will signal one

inevitable conclusion: that State government must take the prime responsibility, in the public sector, for program responsibility. Only State government, for most rural areas, is in an appropriate place to gear up its own programs to key area objectives; to provide technical assistance and, often, constitutional authority, for local government and program groups; and to represent local groups in negotiating Federal program inputs to relate properly to area development objectives.

(4) The nature of the program must be truly comprehensive, oriented to carefully selected priority goals.

I have no intention to say that our existing institutions—State government, for instance—have demonstrated on their own an adequate concentration either to key program objectives, such as the elimination of poverty, or to the idea of comprehensive area development programs geared to selected overall priority goals. But, as we begin to concentrate seriously upon such new national goals as are reflected in the aims of the Great Society programs, and as we become aware of newly emerging capabilities to meet these goals, it becomes essential to gain strategic ability to a maximum degree through the use—and the change where necessary—of established institutions.

Within such a total program designed for each local area—properly using all program resources, properly involving all population interests, properly relying on established authority and strength, and geared to goals of change for all of society—it will be possible not only to eliminate rural and urban poverty, but to establish an environment and a society great enough to include today's poverty people.

In fact it is the job opportunities, which must be created in this effort, that can provide the future economic opportunities for today's poor. It is in the environment which this effort can produce that all of us may find we have been, comparatively, poverty stricken today.

STATEMENT SUBMITTED BY THE AMERICAN COUNCIL ON EDUCATION, WASHINGTON, D.C.

The American Council on Education is the principal coordinating agency for higher education in the United States. Its membership consists of 1,500 colleges and universities, and national and regional education associations. Its college members represent all types of institutions—public and private, junior and 4-year colleges and professional and advanced schools. As such, the council is concerned primarily with the needs, goals, and achievements of higher education. But we certainly do not overlook the fact that the foundation for higher education rests upon good education in the elementary and secondary schools.

Our position on elementary-secondary education was outlined in a 1965 policy statement to the Congress as follows:

> The American Council on Education is primarily concerned with higher education, but in our society the interdependence of all levels of education creates mutual problems. We thus believe that the Federal Government must find ways to assist elementary and secondary schools to overcome inadequacies.

For many years the Council has been concerned with increasing the opportunities for young people to attend college. In recent years its two major recommendations to the Federal Government have been for funds to construct classrooms to accommodate the growing number of actual and potential students, and for financial aid for capable but needy college students.

We are immensely gratified with the legislation enacted by the 88th and 89th Congresses in these areas—the Higher Education Facilities Act of 1963, the work-study program which was started under the Economic Opportunity Act of 1964, and the economic opportunity grants authorized by the Higher Education Act of 1965. We are mindful, also, that the National Defense Student Loan program—the backbone of all Federal student aid programs—was inaugurated in 1959 primarily for needy students. By now 883,000 students have benefited from its provisions.

We are particularly gratified that recent Federal legislation has focused attention on the education of poor and disadvantaged young people. We refer to the Headstart program for poor preschool youngsters; to Title I of the Elementary and Secondary Education Act of 1965, which provides funds specifically for the schooling of disadvantaged children; and the Upward Bound program to overcome the educational disadvantages of potential college students who are poor. There is also the new program to upgrade the so-called developing institutions, which are colleges serving mainly poor young people.

The council has made no survey of higher education of the rural poor as distinguished from needy students in general. We note that the 1960 census reported that 32.2 percent of rural youths aged 15 to 19 were *not* in school, as compared to 29.1 percent of urban youths in that age group who were out of school. In the 20- to 24-year age group, the census reported, 92 percent of the rural young people were *not* in school, compared with 82.8 percent in the urban areas. We believe that these percentages have improved, from an educational standpoint, for both urban and rural young people since 1960. Certainly a great deal more attention is being paid today to their education.

One of the most interesting new developments in efforts to encourage needy young people to attend college is the Talent Search program of the U.S. Office of Education. As part of the new program of educational opportunity grants, or scholarships for needy young people, the Higher Education Act of 1965 authorized the Office of Education to enter into contracts with colleges, universities, and State and local educational agencies to seek out promising but exceptionally needy young people and encourage them to attend college. As part of this program, the institutions under contract are expected to publicize financial aids which are available for college students and to encourage dropouts to return to school.

While this is a small, as well as a new, program, the results so far seem encouraging. For the current fiscal year, 42 Talent Search contracts have been awarded, out of nearly 150 applications received by the Office of Education. This indicates that the colleges and other educational institutions are definitely interested in recruiting needy students. We understand that the Office of Education plans to expand the program in the 1968 fiscal year. In this connection, it is heartening to note that the 1968 budget request includes the entire $4 million sought by the Office of Education for this program. Since some Talent Search projects cover more than one State, the program is now operating to some degree in all States but Alaska. We are advised that slightly over half the projects are designed to serve—either almost entirely or in part—students from rural areas.

In a number of cases, the Talent Search program works closely with the Upward Bound program, VISTA volunteers, and other agencies of the antipoverty program.

The higher education community has been willing and even eager to participate in all the new programs to improve the educational opportunities for disadvantaged young people. We realize that more needs to be done. We hope that the programs sponsored by the Federal Government, foundations, and other sources will be continued and expanded. We hope and believe that more colleges will participate in these programs.

Improving the opportunities for rural youths presents special problems. They are often difficult to reach since their schools may be small and in rather remote locations. Many have received few guidance services during their high school years. They may not have taken—or had the opportunity to take—the courses required for college admission. They may never have received any encouragement to go to college. And they may be quite unaware of the assistance that is available to them.

It seems clear that special attention must be given to these capable rural youths if they are to utilize fully their educational talents. We urge the colleges, the schools, the communities, governmental organizations at all levels, and private groups to make sure that their talents are not overlooked.

STATEMENT SUBMITTED BY CATHERINE C. HIATT, EXECUTIVE DIRECTOR, TRAVELERS AID SOCIETY OF WASHINGTON, D.C.

At the outset, on behalf of the several hundred persons who are a part of the Travelers Aid Chain-of-Service in member agencies across the United States, I should like to congratulate the National Advisory Commission on Rural Poverty for its conscientious and comprehensive effort to gather views and information on this most important subject from a wide range of sources. We welcome the opportunity to contribute to this undertaking and are happy that one of our clients was also invited to testify. We look forward eagerly to the outcome of this factfinding endeavor, and trust that, as a result, a blueprint can be developed for creation or expansion of needed services as well as enactment of new legislation or amendment to existing legislation essential to the well-being of this segment of our society. Until their needs are effectively met, no "War on Poverty" stands the slightest chance of being won.

Because Travelers Aid for nearly 100 years has been the specialist agency serving troubled travelers, transients, and new arrivals in our various urban communities, that is, people who move either permanently or temporarily from one community to another, the following testimony is based on unique competence and practical experience. In it we will seek to identify problems and needs and to suggest solutions for those impoverished people from rural areas who leave their home base in search of at least survival, if not a better way of life for themselves and for their children. With the exception of one program serving agricultural migrants, all those known to TAS (Travelers Aid Society) are striving to relocate in or near an urban center.

One fundamental fact must be stressed and kept in mind throughout this presentation. While our focus is on the problems of moving people and on programs to meet their needs, were not the strivings of these people recognized and such services available, the cost in human waste and in dollars for perpetuating dependency or in crime as means of survival and as an expression of frustration, would be prohibitive. Put positively, the recommendations throughout this material, including those for expenditure of additional funds, would in both the immediate and long-range future save money as well as lives.

The following material is organized under four main headings, each representing a particular aspect of the Travelers Aid program in its work with the mobile poor. In each section we will describe particular problems and experiences of people and specific programs provided. In each we will also seek to evaluate what has been learned and to indicate what we believe might be done in the future to build on this experience. The subject areas are:

1. The basic Travelers Aid program.
2. A special and limited project for newcomers under the Office of Economic Opportunity—which was terminated on March 1, 1967.
3. A special and limited project still underway for relocation of families from areas of unemployment to areas of demand under the Department of Labor, U.S. Employment Service.
4. A special project serving agricultural migrants in southern New Jersey.

The fact that three out of the four headings listed must be labeled "special and limited," I submit, has significance to the concerns of this Commission. First, it suggests that, while the Travelers Aid Association of America is one of the older national voluntary agencies, whose early tradition was service to travelers, it is alert to the shifting scenes of our time and is experimenting in new areas of service to meet changing needs. Second, through sharing what it is learning as widely as possible, as in this testimony, the agency wishes to encourage others, particularly those in places of public power to build on this pioneering experience. Third, essentially, Mr. Claude Brown in his testimony before this Commission on February 16, 1967, was right; i.e., services to safeguard and to advance the well-being of the in-migrant poor to our cities are insufficient, inadequate, or nonexistent. Until support for patently needed services for this group can be much more broadly based and more universally available, the poor seeking to relocate for whatever reason will remain largely submerged, unprotected, and unassimilated in our urban society. With the numbers of people known to be on the move, the job at hand and ahead is far beyond the capacity of any one or combination of voluntary services to fulfill alone. But at least, we hope to show an operational start has been made.

GENERAL BACKGROUND—TRAVELERS AID ASSOCIATION OF AMERICA

While in recent years the American people under the Federal Government, using public monies, have provided programs to assist in the relocation of Hungarians into the United States and Cubans into the United States, and Puerto Rican Americans into continental United States, help in the relocation adjustment of American people within continental United States has been left as an almost wholly untouched area of need except for that which could be provided under voluntary auspices, primarily the Travelers Aid Association of America (prior to June 1966, known as the National Travelers Aid Association).

The Association's roots date back to the covered-wagon days of the mid-1800's. It was legally incorporated in 1917. As of the 1960's it is a federation of approximately 90 local, autonomous agencies manned by professionally-trained social workers and related staff in the United States, Canada, and Puerto Rico. In addition, it has over 900 cooperating representatives. All are linked by purpose and function to form a Chain-of-Service, a unique tool giving an intercommunity service to people whose problems have caused them to move, or who have problems because they have moved. TAAA has developed special techniques in helping people cope with the human and social problems of mobility. It is recognized nationally and internationally as the agency with the greatest professional expertise in this area of service. Its Chain-of-Service, in addition to tapping the resources of more than one community, makes it possible to follow up with clients who have moved on to another town or another State.

TAA's Chain-of-Service gives it prompt access to the geographical and social past, present, and future of the moving worker. To the client, this means someone to whom to turn in a strange and often hostile environment—someone who has developed special skills to meet his special problems. It also means that a teenager can be given counseling, emergency financial assistance, help in finding a job, or other service in one community while his parents are being counseled in another around a problem they both share; or a person can start working through a problem in Washington and continue counseling in Florida or Puerto Rico or California with someone who already knows of him and his specific problem. He does not have to tell his story over and over again.

In 1965 alone nearly 900,000 families and individuals in trouble away from home were helped by one or more TA agencies throughout the country. They came from approximately 10,000 communities in all 50 States of the United States, as well as its four territories, and more than 100 foreign countries in all six continents. Not all were seeking to relocate, but one out of seven who come from some 4,000 rural communities, were. We have a chart that shows the flow of migration of people known to this agency between the period 1955–60 and the period 1960–65.

I. BASIC PROGRAM—TAS OF WASHINGTON, D. C.

In the same year, 1965, the Travelers Aid Society of Washington, D.C., alone served over 20,000 families and individuals. Nearly 5,000 of these had problems serious enough to require the help of professionally trained social-work staff. Of the 5,000 serious cases, 75 percent came from Appalachia and other sections of the South. (In 1964, 70 percent had come from these same areas. That year a further breakdown showed 40 percent from Appalachia and 30 percent from other, primarily rural counties of the South.) One out of five was a jobseeker, ill clad and penniless on arrival. Most of the jobseekers had to be helped to return to the locality from which they had come, because they did not have sufficient skills to find a job quickly (within a week or less) and because this agency could not provide or find other voluntary funds to maintain them longer—and "of course" they were ineligible for public welfare, even emergency aid, since they were not legal residents of this community. Despite these limitations, TAS in Washington, through its basic program in 1966 helped some 500 families and individuals relocate and become self-sufficient. (During this same year of 1966 over 1,000 were returned to their place of residence through the use of agency or community funds.)

For the past several years, consistently, two-thirds of those turning to TA in Washington, D.C., have requested financial assistance. Because of budget limitations or through use of other voluntary resources, only one-half of those seeking such assistance (or one-third of the caseload) have received such help from agency funds. The following excerpts from a study made during a 2-week period in the summer of 1965, of persons seeking emergency financial assistance from the Travelers Aid Society of Washington, D.C., may help to sharpen the picture.

Highlights of Study

½ Job-seekers
½ Other

½ from Appalachia and South
¼ surroundings of D.C.
¼ New England, Mid West, and West

69 percent White
30 percent Negro
1 percent Mexican

A. *The Search for Employment*

1. *Young and Basically Sound Job-seekers*

Young job-seekers stand out as the largest and possibly the most significant group in need of financial assistance.

(a) *Basic Stability*

The majority of these youthful families and young adults were on the move for the first time, disrupting family ties and deep roots at home, summed up in the typical comment, "I've lived there all my life. All my family lives there."

(b) *Moving Away from Poverty*

It was poverty that had dispossessed this group. They were unanimously agreed that poverty had driven them from their home towns and they described this poverty in vivid phrases.

"I got tired of working on a farm for $30 a month as I have ever since I was 13 years old. So I left to get me a real good job."

"I'm a good butcher but I earned only $30 a week. I can earn twice as much here."

"Our parents died and we sort of looked out for each other. We couldn't find work at home. So we wrote to the Peace Corps and they will definitely give us some work."

"I want to get off the welfare."

"There's nothing back home and my caseworker at the welfare can't do nothing for me."

(c) *Poverty and Hardships En Route and Upon Arrival in Washington*

The poverty that compelled this group to move also accounted for the meager resources with which they began their search for jobs.

(1) *En Route*

Poverty explained the hardships so many encountered en route. They spoke of these hardships in graphic terms.

"I got arrested for vagrancy."

"I only earned $5 for two days of picking apples. It wasn't enough to keep going on. I got tired and now I think I'm sick."

"Our old car broke down. I didn't have much money to fix it with."

"The car broke down and I had to just leave it by the road, abandoned."

"We ran out of money so we had to stop and ask a church to feed us."

"We had to hitchhike all the way. It was hard on the kids."

(2) *Upon Arrival*

Those who managed to reach their destination without mishap quickly bogged down in the struggle to compete for jobs and to hang on until a first payday. Again this group's own remarks are revealing.

"I had to take a job selling magazines. I don't know how to sell anything."

"I've got a job but I don't have money to get to it."

"I'm a good house painter. If we get a place to stay, I think we'll be all right."

"I thought I'd start working sooner than I did. Now we're all out of money."

"Farm work is all finished in New Jersey. I'll have to hitchhike home if I don't find something to do here. Farm work is about all I know to do but it don't last long."

"We have no place to go and no money for food."

"My husband just started a construction job. He couldn't do that good at home but we don't have money for rent and food until he get paid next Friday."

"I have two children, and I guess I better go back home and live with my parents. But they can't afford to do for us like that."

"Yes, my husband has a job now but the baby is only 4 months old. Living like we have to here is worse for the children than it was back home. The kids were a lot safer there."

(d) *Lack of Job Skills*

The gravest handicap burdening this group is their lack of job skills. This reflects their impoverished backgrounds; the lack of good schools in depressed areas and the rural South; and the paucity of jobs that might provide on-the-job training or the sort of work experience they could use as a jumping-off place for better jobs. The work they are equipped to do and the work experiences they have had tend to trap them and their children in perpetual poverty.

The younger job-seekers describe this vicious circle as "not getting ahead no matter how hard we try. The only work we can get don't have much of a future." Despite the very real courage they display in moving away from hopeless poverty, very few can overcome this handicap while struggling to survive in a large, impersonal city. The very few who have usable skills and who find jobs immediately may manage to find a better life for themselves. But even the one or two in this group must be prepared to endure a loss of personal and cultural identity until they can recreate the roots and human ties that sustained them at home.

(e) *Conclusions*

The youth and basic stability of these job-seekers suggest that that they are trainable and would use and benefit from programs designed to equip them with usable, marketable job skills. They are moving—at great cost to themselves—and will continue to move to find economic opportunity and independence not possible at home. They are poorly prepared to find either—because of the impoverished schools in their home communities, their limited work experiences, and their lack of job skills. If they do not find some answer to their searching, they will sink back into dependency or will become the next generation of "homeless men." Either alternative means a heavy burden on society in both cost of care and loss of contribution to the common weal. The young job-seekers who were frustrated in their first attempt to move away from poverty faced a cruel choice. They could either give up and return to hopelessness or risk the grave hazards of hanging on in a large city. If they found the poorly-paid jobs for which they could qualify, they had to live at a substandard level, deprived of their personal dignity and cut off from the sustained human relationships and cultural ties that gave meaning to their lives at home.

It has been the agency's experience—confirmed by this study—that job-seekers who cannot acquire the job skills they need deteriorate rapidly if they continue to move from one city to another in search of jobs they are less and less equipped to find. As they age they drift away from family ties and they exist under conditions that deplete their physical strength and emotional reserves. They are frequently jailed for vagrancy and many become alcoholics, unemployable outcasts, and chronic wanderers, totally adrift and lost to society.

2. *Persons in Flight*

The relative number of unstable persons purposelessly running away is in striking contrast with the findings of a study of the agency caseload in December 1964. At that time 36 percent of those served were in flight and only 22 percent were job-seekers. In this study 48 percent were job-seekers and only 10 percent were in flight for emotional reasons. Among other possible causes for this difference, one might wonder whether there may be a seasonal component which influences who is more apt to be on the move and when. It is possible that the more stable, more planful people move in the warmer weather when jobs might be more available and the less stable ones move when they cannot bear to stay put. Could the more rigorous weather of winter add to their restiveness?

B. *Social Protest Emigration from the Deep South and Texas*

It is interesting that 12 young and basically stable families and young adults said they were emigrating from the Deep South and Texas in protest against racial intolerance.

1. *Currently Moving Away*

A young Negro family from Alabama and two young Negro families from South Carolina spoke of "low wages back home no matter what we do." They were unwilling to accept a future of "poor pay even if we ever got decent jobs."

A 21-year-old Negro from Alabama said he had worked for 8 years and never earned more than $1 a day for heavy labor. He was "tired of work like that." A young Negro widow from a rural section of Virginia didn't want to go on living with her parents "who can't afford me and the children on them." She hoped to find a job and support herself and her two children in Washington. The jobs open to her at home "don't pay wages we could ever live on."

Two young families of Mexican descent left Texas because of the low wages paid "Latins" for skilled work. One of the husbands found a job in Washington at which he would earn twice the amount paid him for the same work in Texas.

2. *One Defeated, Four Had Achieved Their Goal* (5 cases)

A 19-year-old Negro sharecropper from Mississippi took a seasonal farm job "up North." He hoped to earn enough to remain, get settled, and send for his wife. However, the driver of the truck in which he was to travel to New Jersey with other farm labor recruits abandoned them in Washington. He was returning home defeated.

Two young Negro wives and their children had car trouble en route home to Brooklyn, N. Y., and were stranded in Washington after a journey to Alabama to visit relatives. Both families had successfully settled in Brooklyn after leaving Alabama a year ago. Both husbands were employed and did not leave their jobs to accompany their wives.

A 20-year-old Negro from South Carolina had managed to leave South Carolina and to support himself for 6 months in New York. When he was drafted, he decided to hitchhike back to South Carolina to see his grandmother before he was inducted into the Army. A Negro policeman urged him not to hitchhike through the South and referred him to Travelers Aid Society.

A 22-year-old Negro from Louisiana had settled successfully in New York. After working for 14 months he was able to take a vacation trip to see his family in Louisiana. He was robbed en route and returned at once to his job in New York.

A FURTHER ANALYSIS OF THE PROBLEMS OF THE MOBILE POOR IN WASHINGTON

An 18-year-old youth from West Virginia, the youngest of 13 children, haunted the U.S. Employment Service every hour that it was open until he was accepted in their Youth Training Program. A young friend had told him about the program, but he had no one except Travelers Aid to help him until his training began 3 weeks later and for still another week until his first $20-weekly subsistence allowance arrived.

He had left a home in which the frustrations of poverty had intensified his hostility toward his stepfather. For 2½ years he had drifted from one town to another, working on the dead-end jobs available to an unskilled, homeless teenager with less than a grade school education. When he tried to enlist in the Army, he was turned down because of lameness caused by an automobile accident.

He needed financial help, direction in finding a part-time job to supplement his $20 subsistence allowance, and expert guidance in adapting himself to a disciplined life of study and work.

A housepainter found a job the day he arrived in Washington with his gaunt young wife and six barefooted children. Work was nonexistent at home in a mountainous section of North Carolina. Both parents had dropped out of inadequate rural schools before finishing the 10th grade. The husband had a problem with alcohol; the wife was energetic but possessed none of the experience and know-how necessary for survival in a strange and complicated urban environment. The children had no security beyond the father's new job and the fact that the family was still together.

Like other very poor Americans on the move, they were living in an old jalopy, half buried beneath the bundles of faded clothing and household utensils which were everything they owned as a family. They were disheveled and hungry when they appeared in the Travelers Aid offices, and their clothes were too thin and threadbare to protect them from the rain and cold of early winter.

An itinerant mechanic, still in his 20's, had learned his trade from his gypsy parents, who had earned a meager living repairing farm machinery and trucks at cut-rate prices in farming communities along the Pacific coast. He had no wish to follow this way of life now that he was an adult and a married man with children of his own. What he had in mind for himself and his family required only two things: a regular job and a chance to settle down in one community.

However, no reputable garage-owner had been willing to hire an ex-gypsy without references, who pulled hopefully into town after town with his almost illiterate ex-gypsy wife and two malnourished children in an old car that swayed beneath the weight of all the household goods strapped on top. Temporary jobs, day labor, and an occasional chance to fill in for a sick or vacationing mechanic had kept the family alive—so far.

Nothing in their experience had prepared them for this attempted transition into a stable life. Neither knew how to apply for a regular job or how to negotiate with a potential employer on the basis of the husband's impressive knowledge of mechanics.

When their 6-year-old daughter had to be hospitalized for malnutrition, they were told she could not be taken from the hospital until the family could provide a suitable home for her. The young mechanic took a day-labor job, but he knew from several years of experience that determination and his own strenuous efforts would not be enough to bring about the stable home the hospital was now demanding.

They approached Travelers Aid with the sullen apathy of those who have been forced to remain outcasts and who have found no way to lift themselves out of poverty severe enough to deprive them of their children.

The 18-year-old from West Virginia; the housepainter from North Carolina; and the ex-gypsy and his emaciated family are typical of the very poor who are on the move today and who continue to come to Travelers Aid Society. They are isolated, excluded, second-class Americans, less and less welcomed in the cities where they must go and must find jobs if they are to remain alive and in our prosperous society. Most of the very poor in this group before taking to the road had lived in poverty all their lives, managing to stay alive on public welfare grants, or hanging on as coal miners or tenant farmers until rapid technological changes in mining and agriculture absorbed their jobs and crowded them out of the economy.

They are a unique group for two reasons: (1) Their lives are literally at stake in the outcome of their search for work and stability, and (2) by their truly heroic attempt to move away from the modern versions of feudalism and slavery, which they describe as "no way to get off the welfare back home" and "no chance for a colored man to get ahead no matter how hard he works," they have become contemporary seekers after the American Dream, moving away from hopelessness or oppression within the same tradition that settled our early wilderness and opened up the West and that brought impoverished immigrants into our great industrial cities at the beginning of this century. They do not want to exist on a dole with no hope of escaping the ignorance and social isolation which handicap them, and they cannot overcome these handicaps without help.

What they do want and need is a stable job, a home, and a chance to make a fresh beginning. En route to this goal they need specific counseling provided through a key person, such as a caseworker, to help them gain knowledge of the urban environment in which they must make their way: In the lingo of the indigenous poverty worker, to learn "how to negotiate the system;" to become aware of their own capacities; to gain the disciplines of work, and to learn that work can be more than a means of survival. They also need encouragement to sustain their hope and to endure the inevitable emotional depression caused by the loneliness, strangeness, and the regimentation of settling in. And after a period of testing, if they have made the wrong decision in leaving home or in coming to this particular community, they need guidance and practical assistance to change, to leave, to return home or realistically to move elsewhere. Without these supports, they can quickly become confused, discouraged, pull up stakes and continue to wander or sink back into chronic despondency and stop trying.

They often need help in finding a place to live, both temporarily and for the long haul. They also need opportunities for job training—frequently, this includes basic remedial education.

And they MUST have financial assistance. Without money for the necessities of living they cannot use other services or spend their own efforts effectively no matter how determined they are to do so. It is wasteful, even cruel, to suppose that destitute people who have been poor since earliest childhood and who have had to leave home as the price of survival can relocate in an impersonal, confusing city without a few days or weeks of financial tiding-over. They have to have bus tokens and money for a haircut or a clean shirt or decent work clothes before they can apply successfully for a job and then report to work. They have to pay for at least a week's rent and buy a few groceries. Their children have to have soap, toothbrushes, and shoes for school.

Underlying these practical needs is the need for a sense of welcome. America was built and became strong because we were a mobile people. Even a modern economy depends in large measure on the fact and the readiness of our people to move about. And yet the stranger in our midst, especially if he is not wholly self-sufficient, is greeted with suspicion, is blocked from established community life and community resources by both neighbors and institutions, is forcibly kept out until he can prove he has a "right" to be in. We submit that all Americans have a right to be accepted as a part of our society.

PROBLEMS OF PUBLIC POLICY AND LACK OF COMMUNITY RESOURCES

1. *Public Welfare*—Financial Assistance

The most conspicuous problems facing the poor away from home, as well as the voluntary agencies who try to help them, are residence restrictions for various public services. The most conspicuous and punishing restrictions are for public financial assistance. Despite the fact that much of the money provided for public assistance is Federal money, to which all Americans have contributed through Federal taxes, entitlement to such assistance is governed by the several States and withheld by them from persons who do not qualify as residents of their communities. The fact that residence requirements differ between States only adds to the complexity of the problem and results in numbers of people, including individual children, being "Stateless" for longer or shorter periods of time, when they lose residence in one jurisdiction before acquiring residence in another. These people are truly in limbo; their needs for welfare assistance, protective care, or other essential human services become literally no one's responsibility to provide.

Although we have never seen any figures, we have reason to guess that there must be several thousand "jalopy children" in this country whose parents wander from town to town, from county to county, from State to State, seeking day labor or a handout for food while they subsist in the back of a broken-down car, the nearest filling station giving them just enough gas to get to the next town or across the county line. Their children are growing up in rags, physically weak, emotionally starved, and totally without education. It is our further understanding that probably most of these families, like "The Grapes of Wrath" families, started originally from life on a farm.

A few States have experimented with the elimination of residence restrictions for aid. But until these restrictions can be lifted across the country, people of this nation will continue to suffer wantonly.

Even for residents within our States the rules and regulations governing public assistance—and administrative practices thereof, penalize many direct needs.

Not long ago in a rural community of a neighboring State a 16-year-old boy was forced to leave home because in the eyes of his welfare worker he was big enough and strong enough to go out on his own. Thus, even though he was eligible for continued assistance for another 2 years, assistance for him was cut off. By D.C. law he was still a minor and the intercession of a TA worker was required to help obtain official parental sanction for him to remain and qualify for working papers, housing in the community, etc.

A 60-year-old man who had been a sharecropping farmer in another State lost his shack for nonpayment of taxes after he had become too physically handicapped to work. Even so, he was adjudged employable by the local public welfare authorities and, therefore, ineligible for either public assistance or health care at public expense. He had never been off his plot of land, had no social security, no relatives anywhere. By hitchhiking he finally turned up in Washington. Because there was literally nothing for him to return to or go to, TA had to maintain him for several months, arrange for emergency medical care, pay for his prescriptions, and when he was able to get around, finally helped him to get a job as a newsstand attendant.

2. *Education and Vocational Training*

In some communities, including the District of Columbia, certain newcomer children and youth are ineligible to attend public school for basic education or vocational training without payment of a fee which can range from $200 to $600 for a particular course of study. For the in-migrating poor such fees are prohibitive and tend to encourage, if not force, school drop-outs and to hold them to the level of unskilled labor. A further roadblock to job security or advance, particularly for youth and young adults, again at least in D.C., is the absolute impossibility of obtaining a high school equivalency certificate, even for a person who could qualify, until he has lived in the community for a year. This means that many of the more desirable or promising jobs are automatically closed to these young people at the point where they need them most; need them not only because the jobs are apt to pay better and provide more steady employment, but also because, as will be reflected throughout this testimony, the newcomer, particularly the youth, need every boost they can get to gain an emotional as well as an economic foothold in the new community.

One recent advance in Federal policy and program has been the establishment of work-training, under the Economic Opportunity Act. Not only does the program per se have value but, also, it is one of the first provisions which specifies that residence restrictions shall not be imposed as a basis of eligibility for participation. In practice, however, until public assistance for basic maintenance can be made available to the newcomers, few can take advantage of this program, because of the understandable and inevitable timelag between application for training and actual enrollment in the program. (In Washington this can be 3 months or longer.) In other words, work-training can be valuable for possible upgrading of skills, after a person or family has gained a foothold in a community through employment at the level of skill which they bring with them, but is of little use to the new arrival.

Training under the Manpower Development and Training Act of the Department of Labor is equally questionable in its utility to the newcomer. Practices may differ from community to community, but in some areas it is not readily available to the newcomer. This seems to have less to do with questions of law and residence or timelag in enrollment than it has to do with attitudes of disinterest and administrative patterns of giving preference to those already established in the community—almost as though the stability, sincerity, motivation, and teachability of the newcomer applicant is open to doubt. We have known one or two young people who were immediately accepted for training because they made a good appearance and, therefore, a good impression on the interviewer; while others whose potential and drive we believed to be comparable were rejected, because they were less "well put together" in appearance and less deft in handling themselves at the point of application. For persons coming to the city from impoverished rural areas lacking "city clothes" and "city polish," this seemingly arbitrary basis for acceptance or rejection has particular significance.

Finally, in the area of training, again at least in the District of Columbia, no nonresident is accepted for vocational rehabilitation under the Office of Vocational Rehabilitation—regardless of circumstances, regardless of need, regardless of potential, and regardless of the nature or cause of disability or work history. Here legal residence is an absolute prerequisite. This restriction can have particular impact on persons from rural areas whose employability at home tends to need full physical functioning and for whom major injury can be totally defeating.

A tobacco worker had successfully maintained himself, his wife, despite her progressively disabling arthritis, and their 12-year-old son at home in a small lump sum as "compensation" and fired him, because he had become too crippled to work. After wandering for some time, the family landed in a small town near Washington, where the man found a job as maintenance North Carolina until he injured his back on the job. His employer paid him man. When his duties were increased to include heavy lifting, he further injured his back, was again given a small lump sum as "compensation" and fired. From now on he will be able to do only sit-down work but, although he has good finger dexterity, he has no particular hand skills. He is a "classical case" for vocation rehabilitation, but is ineligible because he has lost residence in North Carolina and will not gain it here for another 10 months. Meantime—What?

Change in law, change in administrative ruling and a change of attitude toward the newcomer seeking a job, job training or simply basic education are clearly necessary, if the in-migrant population are ever to rise above precarious, marginal existence in our cities or in defeat continue to wander.

3. *Health Care*

It is hoped, with the establishment of the Federal Medicare-Medicaid programs, which specify that no residence restrictions shall be imposed as a basis of eligibility, that some of the earlier woeful gaps in medical care for the new arrivals in our urban areas can be overcome. What remains, of course, is to get all jurisdictions to pass enabling legislation and to bring Title 19 provisions into their localities.

Again, this has particular relevance for the in-migrants to urban areas from rural poverty because their health needs tend to be so great and resources for their care in their home communities so lacking or so scattered.

Local public health departments, as in the District of Columbia, can give valuable leadership toward the extension and expansion of needed health services for this group in both community hospitals and outpatient clinics. Obviously, coverage should encompass physical care, dental care, and treatment for emotional illness, plus preventive health care, including access to birth control facilities.

The recent proposal that "Federal doctors and Federal clinics should provide medical care to the poor in areas where local agencies cannot or will not provide such services" also makes good sense. Such a proposal, according to the Washington Post for Friday, March 3, 1967 (page A-7) is included in a report which is shortly to be released by a high-level advisory committee appointed by the President. While such an arrangement would not benefit the poor in their rural home communities with very few exceptions, it would expand the geographical availability of good service at very little additional expense. One would assume it could be quite simply and quickly done. It is hoped that it will.

One aspect of health service which we believe should be greatly expanded, perhaps in collaboration with the Office of Economic Opportunity and its Neighborhood Center services, is health education. Ignorance of good nutrition, personal hygiene, and steps one can take to help oneself and one's children toward better health is common—most understandably so—among families that appear in our offices, especially from Appalachia and the rural South. It is not that they do not want these things. It is simply that they have never been exposed to them. Also many have lived for several generations in a state of chronic debility so that they assume feeling tired and poorly is the natural way to be. They are unaware what good health really is.

4. *Housing*

This is one of the most perplexing and unsolved problems for low-income families in all our major cities, for long-term residents and new arrivals alike. We are not wise enough or knowledgeable enough in this area to suggest any substantial solution. Perhaps it can be tackled through expanded public housing; perhaps through enlisting private industry in new and imaginative ways. There have been a few experiments by private groups in this direction. In later sections of this material, we will note a couple of miniscule things we hope to try to partially deal with concerning the problem locally. We are certain, however, that it cannot be truly met for the newcomer here or anywhere, until it can be resolved for the whole low-income population.

Meantime, we continue to cope with specific needs on a catch-as-catch-can basis, joining others in the community to press for legal measures to overcome bald exploitation of tenants by conscienceless absentee landlords, at the same time attempting to teach families we know how to use city plumbing, gas and electrical appliances, and how to avoid fires or destruction of such accommodations as they may have.

5. *Legal Protection*

Again Mr. Claude Brown was right in his statement before this Commission that the in-migrant poor are particularly vulnerable to loan sharks, price gougers, et al. They do indeed need both protection and guidance relative to their legal rights in a wide range of areas. While legal assistance for the poor through Legal Aid Societies has a lengthy and generally honorable history, we have welcomed the more aggressive championing role which has recently characterized the Neighborhood Legal Services in various communities under OEO and the stimulus this has given to local bar associations to reach out and to offer increased service to persons too poor to pay.

Not only have these newer efforts among the law profession meant cases won or settled in favor of poor clients against threatened abuses by more powerful protagonists, but they have also laid the groundwork for open challenges to certain oppressive legislation.

The challenge closest to the hearts of those of us who work with and have come to know and to respect the mobile poor is the challenge to the legality, the constitutionality, of residence restrictions for public welfare. We have not heard of any case that has yet run its course to a court judgment, but we do know that several are at least in preparation in various States and that those who are working on them are in consultation with each other. We in Washington have been close to such an effort involving nonresident minor children of resident parents.

Whether through the courts or through Congressional action these barriers to full participation in the life of our urban society must be lifted for those who seek to enter this society and ultimately to contribute to it, regardless of race, creed, or community of origin.

Specific Recommendations

1. Those who have contact with the poor in their home localities, particularly the rural poor, should—

(a) Help them realize that "moving to the city" is not a quick solution to their problems, that often it is no solution at all, at least under present circumstances.

(b) Help them, if they are intent on moving, to move planfully, i.e., to choose a community where they stand some chance of finding a job, given the skills they bring; to be prepared for the climate into which they are going (thin sweaters and bare feet are insufficient protection in winter where there is snow); and, if possible, to have some contact in that community to which they can turn on arrival, if need be, and which can ease their sense of total strangeness as they seek to become established.

(c) Help them to understand what resources may and what may not be available to them as new arrivals, what roadblocks stand in their way of successful relocation, and to be ready for the gross change in the way of life in the city in contrast to their prior experience.

2. Those who have concern for the poor migrating into our cities, regardless of place of origin, should help initiate or to join existing efforts to wipe out the outmoded, Elizabethan principle of local residence as a prerequisite to people's right of access to the provisions and services made available under our Federal establishment for the benefit of all our citizens.

3. The burden of responsibility for the care of and service for the mobile poor must not be left to voluntary agencies who are supported primarily by locally contributed funds. Rather, because the well-being of poor people who move and will continue to move affects the well-being of all Americans, public funds must be appropriated to meet their particular needs and essential services be established for them under public auspices. Such public programs will need and must draw upon and incorporate the expertise which has been developed through voluntary effort, primarily TAAA.

4. (a) Unless such material is already in the blueprint for the 1970 census, efforts should be made to have basic information about mobility added to the general, not just sampling questionnaires, and provision made for it to be correlated in subsequent reports. Such information should include income level as well as length of time in present community, frequency of moves, and where people originally came from. It is doubtful that reason for moving could be obtained on more than a sampling basis, but to the fullest extent that this can be gathered and documented, it would be valuable.

(b) Meantime it would be useful if spot studies in depth could be made in selected cities, such as the District of Columbia through the Washington Center for Metropolitan Studies. Volume of in-migration, sources, reasons for moving, adjustment and impact on the community could be embraced in such studies. Without comprehensive data, which is not now available, communities and agencies such as TAS are left responding to demand as it appears and trying to build interpretation of need and recommendations for action on an uncertain and partial foundation without really knowing how near or far they are from the mark and without being able to assess the true magnitude or urgency of the problem. They (we) are hampered in attempts productively to involve official and citizen leadership in giving priority to coordination or provisions of services to this group.

5. A public service publicity campaign should be mounted, whereby all of us throughout the United States will regain respect for the courage, the respectability, and the contribution to our well-being on the part of those who are willing to pull up their roots and move to a new locality. The heritage of mobility in our country is a proud one. It deserves support and honor now as in our country's past.

II. NEWCOMER PROJECT

The Travelers Aid Society has always kept its doors open to the newcomer poor although their needs have regularly far outstripped the agency's slender budget. We know that to help them return home means defeat for families moving in the oldest American tradition—away from oppression and poverty and toward a better life for at least the next generation. But living in a city's slums, caught on the treadmill of underpaid, unskilled jobs, can also defeat them. They have no neighborhood ties in a strange city; in most cases the new environment is even less wholesome for their children than the one they have left. Because the urban culture is totally strange to them, with no one to welcome them and instruct them in the ways of city life, they quickly lose the sense of their own identity, their own roots that have sustained them at home. Families intact when they arrive all too often collapse under the pressures of an alien, isolated, and impersonal existence.

The agency's practice has been to help these newcomers to evaluate what they are up against, to give them information about the city's resources, and to provide a few days of financial assistance to the handful of families who stand a chance of surviving with no help beyond their own abilities and determination.

When Federal funds began to be available for innovative projects to serve people in trouble or in need, starting with the President's Committee on Juvenile Delinquency and Youth Development, Travelers Aid saw this as an opportunity to expand, to extend, to intensify service to this group and, hopefully, through a concentrated effort in this area to devise new ways of meeting their needs and helping them to achieve economic and social stability in their new, adopted community. It sought to understand the group better, to work intensively enough and long enough with a cross section of them to be able to measure their strengths more precisely, to define exactly what resources would spell the difference between defeat and survival and when and how the right kind of help could be given them. This wish was the basis for the Washington TAS Newcomer project.

OFFICE OF ECONOMIC OPPORTUNITY

Before discussing the project itself it should be noted that no provision was made for the mobile poor in the Economic Opportunity Act except for agricultural migrants. For the agricultural migrant some services can now be provided under title III. The nonagricultural poor on the move to our urban centers can be offered services only under title II, the Community Action title, or under title VI, the Work Retraining title.

By design, however, programs for funding under the Community Action title must be developed by the local community. Here programing has concentrated—inevitably—on benefiting the long-term resident, not the newcomer.

Furthermore, as already mentioned, very few penniless newcomers have been able to hang on long enough in a strange city to be accepted for work training programs under title VI.

Travelers Aid has been able to obtain OEO support for programs serving the very poor newcomer in only three counties in the entire country. OEO has funded two projects in Los Angeles County, Calif.; one project in Alameda County, Calif., and this one project in Washington, D.C. There was community pressure for a project in Pittsburgh, Pa., but because OEO felt that it lacked a clear mandate to release money for relocation financial assistance, an indispensable part of any relocation program for the very poor, the Pittsburgh project had to be withdrawn after 3 months in operation.

It is encouraging that in the Senate committee's report on the Economic Opportunity Amendments of 1966, the following paragraph appears:

"The Committee recognized the need for the mobile and nonresident poor to benefit from the OEO programs and supports the provisions of OEO funds and services in both the rural and urban programs for this purpose."

It is hoped that with this clarification of congressional intent, OEO will step up its funding or programs for this group and include monies for direct financial aid to persons seeking to relocate until they can achieve economic independence. But with congressional appropriations for fiscal 1967 less than requested and with some earmarking of funds available, funding for this group has been curtailed instead.

NEWCOMER PROJECT—BACKGROUND

The D.C. Newcomer project, while originally conceived as a citywide service, has been in fact a small demonstration covering only one Neighborhood Development Center. The smaller size actually proved fortunate, for although fewer people were served it gave opportunity for thoughtful analysis of developing experience which is important in a pilot effort of this type. Operation began under Travelers Aid in November 1964. Between February 1, 1965, and March 1, 1967, the program was jointly operated by Travelers Aid and Washington Urban League under contract with the Washington United Planning Organization (UPO) and was located in a store-front "Neighborhood Center."

In the first year the program was funded by the President's Committee on Juvenile Delinquency and Youth Development. Although there was no precedent for this, but recognizing the overriding need, financial assistance for clients was included. During the second year the program was funded by OEO but, like the Pittsburgh project, money for direct help to people was not available. Such direct assistance as was given during the second year came from Travelers Aid's own limited budget. Because the project lacked such funds and TA could not release enough money from its basic program to do the whole job, the program's effectiveness was so reduced that when UPO funds for community programs were cut back, the Newcomer contract was terminated.

Project in Operation As Seen by Travelers Aid

A highly trained, highly sensitive casework director was the key to the project's pioneering successes. Serving as a trusted, competent guide to whom newcomers could turn in a strange, indifferent city, she used the traditional one-to-one casework relationship as both (1) an instrument for helping individual newcomers and (2) as her primary source of new insights into the lives and special needs of well-motivated, poverty-stricken newcomers attempting to hang onto the lowest rung of the economic ladder in a large city hostile to their strivings.

At the same time Urban League staff located neighborhood people and community groups willing to provide the social links and much of the know-how about city life so essential to the newcomer's survival. Working hand-in-hand the efforts of the two staffs complemented each other.

At the end of this section is attached a copy of a speech which graphically summarizes the people and their problems as we knew them and describes the program in action. While this paper discusses only the first year of the project, the second year was comparable, the only difference being that more families with older parents were included during the second year and the following statistics covering the total period of the project tell their own story:

First year, 135 cases involving 224 people
Second year, 175 cases involving 400 people
Unduplicated 2-year total, 248 cases involving 460 people
1 out of 3 were from rural and small town communities
2 out of 3 were Negro
All were job seekers
1 out of 3 returned home
2 out of 3 successfully relocated and were independent or on the road to independence when last seen

Many of the young adults and families benefited through the project were and have continued to be tenaciously excluded from other social welfare programs by (1) residence laws; by (2) the paradox that welfare applicants in need are the group most frequently turned away with no help at all; by (3) presuppositions that there is little need to offer this group help because of a vague assumption that they don't truly want and could not use a chance for a new start constructively; and because (4) as displaced, inarticulate people, they are geographically scattered, politically powerless, and socially isolated.

The study in depth which the project has made possible reaffirms the swiftness of social change within our society in very recent years and the unrecognized ways in which technological advances, often brought about by government subsidy, have threatened the survival of the very poor Americans upon whose lives these advances have had the most immediate and shattering impact. It also has begun to separate out and to tackle different elements within the massive and unprecedented problems created by this social change for the displaced poor, who must move into the urban centers where jobs are available.

Social pathology begins when newcomer families cannot adapt appropriately enough or rapidly enough to the only environment in which they can hope to gain or regain even a toehold in the economy. By moving away from the geographic and social backwaters in which they have been submerged, particularly those who move from rural to urban settings, they have demonstrated their awareness of the social changes that have overtaken them and their willingness to act in their own behalf. But they cannot master on their own an adjustment involving new attitudes towards work as a source of personal fulfillment, new ways of relating to neighbors and coworkers, new idioms of speech, and new, long-range expectation for themselves and their children. They must be given time, opportunity, and guidance to learn these things after arrival. The process of urbanization makes extraordinary demands that are unique rather than universal, and there is almost nothing in the impoverished newcomer's past experience to make these demands comprehensible without instruction and interpretation. Ironically, but perhaps not surprisingly, there are very few people in social work or the other helping professions who yet appreciate these problems or have mastered techniques to be truly helpful relocating strangers in general or in facilitating the transition from rural to urban life.

On February 17, 1967, Mrs. Eliza Brewington, a Washington newcomer from the rural South, testified before this Commission as was brought out in the testimony. Mrs. Brewington, her husband, and children had been helped through this project. (One point that was not clear in the question period was that the several hundred dollars that were used to help this family along the way were from TA funds, not OEO.) Mrs. Brewington is an example par excellence of how much can be salvaged from certain defeat and how swiftly and soundly an impoverished family moving from strength can achieve realistic new goals and hope for a better future when the help they specifically need can be given them at the right time and in the right way.

As Mrs. Brewington told the Commission, she wants to work as a volunteer, to help other newcomers in precisely the way she has been helped. This confirms the project's findings that newcomers from poverty can effectively use proffered help of the kind pioneered in this project and that as soon as they have a semblance of security in their new surroundings, they are capable and eager to reach out and help others.

As a footnote to this summary, it is worth commenting that this entire project was accomplished with a Federal investment of under $30,000 a year plus in the second year just under $5,000 of TA funds. For a total investment of $65,000 over a 2-year period, some 250 families and individuals were given a chance at a new start. Two-thirds of these made the grade and achieved independence. Without this chance and this help they could have remained permanently dependent at a public cost of several times this amount.

Recommendations

Travelers Aid's Proposals and Hopes to Improve the Circumstances of Washington Newcomers Who have Moved Away from Rural Poverty.

1. *Newcomer Center*

As Mrs. Brewington testified before the Advisory Commission on February 17, 1967, and as Washington Travelers Aid demonstrated in its Newcomer project, impoverished newcomers need immediate shelter; specific information about how to find a job, where to live, how to cope with public transportation, and how to master—quickly—the unfamiliar demands of city employers and landlords. They need help with registering their children in city schools; they need a friendly, informed introduction to urban customs and mores. And they especially need a trained, empathic counselor. (1) to give specific help with personal and family problems, and (2) to enlist and guide a corps of neighborhood volunteers to welcome the newcomer and to provide friendship, information, orientation to city living, social ties, and a sense of belonging.

To implement the new insights and new techniques of helping that came out of its Newcomer project, Washington Travelers Aid has prepared a proposal and hopes to find a source of Federal funding for a Newcomer Center designed to meet the more urgent and long-neglected needs of poverty-stricken newcomers and to broaden the program that proved so effective in minuscule. The agency believes that such a center might be adapted to other communities where sizable numbers of newcomers seek to settle as well.

Design for a Newcomer Center. The proposed center should be conveniently located and avialable to all newcomers into the city. It would be manned by both professional, social-work and nonsocial-work personnel as well as volunteers. The social-work staff would carry forward the kind of counseling program that was the heart of the Newcomer project. At least one nonsocial-work staff member would be assigned as a housing locater specialist. Other nonsocialwork personnel would provide information and direction service about the community, about other resources for health care, recreation, churches, stores, transportation, etc. Nonsocial-work personnel would also reach out to the newcomers and accompany and introduce them to resources they might need. Volunteers would assist in these various activities and could provide a variety of other services.

The center could also serve as a "social center" for newcomers, a place where they could gather, where they could meet each other, and where they could bring their friends. Also, the staff of the center could organize group sessions and activities to help in the "socializing and urbanizing" of newcomers, i.e., to help them become acclimated to city life. (Some group discussions were undertaken in the Newcomer project and proved meaningful to participants.) We would seek to persuade USES to have an employment counselor housed at the center. We would also like to see other community services for which nonresidents are eligible have some branch representation there. Specifically we would like to see the Department of Health, under the new medical provisions, schedule health consultation service at the center, particularly for the newcomer children. It might even be possible later to organize remedial reading classes or other education or skills through the center, since many nonresidents must now pay a fee for courses in the D.C. public schools.

Again, as in prior experience, one element that would be indispensable to the success of such a program would be the availability of relocation financial assistance funds to be administered by the professional staff. Sometimes families can repay some of the assistance given and provision for this would be built into the program. But from prior experience we know that first assistance and most assistance will have to be an outright grant.

We do not believe that such a center with its facilities and resources would in any way increase the in-migration into the city. Persons have, are, and will continue to come into the Metropolitan area; at present, many of them get lost, some remain hidden until they can achieve residence and become eligible for public aid, some through failure to relocate here, move on and thus take on the habit of unproductive wandering. We believe, on the contrary, that such a center would help to identify and assure more successful relocation adjustment for those who do move. We also believe that such a center would serve as a bridge to assimilation of the newcomer in the community, rather than a deterrent. It would symbolize security and identity until the newcomer is ready to reach out, but as he develops assurance and confidence in his surroundings he could be given support and encouragement to do so. Finally, we are convinced that through involvement of persons from the neighborhoods in the activities of the center, the center can contribute to acceptance of the newcomer in the community. Persons who are found not able to make a successful readjustment to the city would be referred to the normal Travelers Aid program for other planning, and would probably continue to be returned to place of residence. Through the records of such a center, it would also be possible to continue adding to our knowledge about mobility among disadvantaged people and how best to serve them.

2. *Proposal for a Newcomer House*

As a part of the Newcomer Center, Washington Travelers Aid has also designed plans and hopes to find Federal funding for a "Newcomer House" to provide temporary housing for a limited number of single youth and newcomer families. It is interesting that Mrs. Brewington, without consultation with us, included a similar suggestion in her testimony before this Commission.

Initially, the agency proposes to locate and rent a boardinghouse large enough to accommodate approximately 10 single youths, some in double rooms and some in singles, plus common living area (i.e., dining-living room) and a boardinghouse manager sympathetic to the goals of the project and willing to become a part of it. (A Mrs. Brewington would be ideal for this role!)

Such a Newcomer House would become home base for a nucleus of young men who need a wholesome, normal social life and a structured, effective way to learn normal urban standards while overcoming the loss of identity and social equilibrium that invariably go hand in hand with the attempt to move away from rural poverty.

This natural grouping would have an enormous potential for group counseling and similar activities geared to helping inexperienced newcomers to accommodate themselves to the social expectation of city living.

The casework staff for the Newcomer Center would be responsible for identifying youth and families to be housed in the facility.

The director of casework for the proposed Newcomer Center, along with a house or program director, would share responsibility for planned group activities in the setting.

Length of residence in the house would be determined on an individual basis and might range from overnight to up to 3 weeks, or occasionally longer, while more permanent living quarters are being located. Return to the facility if other housing breaks down would also be possible.

Persons living in the house would maintain their own rooms and share responsibility for chores such as maintaining hallways, cooking, doing dishes, etc. The house director would be responsible for helping them to learn how and to follow through on their various house responsibilities.

Residence in the house would be without charge until the newcomer becomes established in a job and is able to pay. Then he would be expected to pay at the probable rate of $12 to $15 per week.

No difference would be made in house assignment for those who pay or those who do not pay, at least initially, in order to avoid the stigma of "second-class citizens" among those unable to pay. Later, if experience shows there can be a differential in house responsibilities, this might be undertaken.

Group activities in the house could include group counseling, recreation, and possibly some community-related meetings.

Residents would share with staff in planning and leading various kinds of group undertakings. In addition to planned or formal group efforts, informal and spontaneous activities on the part of residents would be expected.

A careful record of the experience in the use of the facility for both housing and "socialization" would be kept and evaluated.

While such a facility would not make a dent in the overwhelming problem of lack of housing, we estimate it would provide shelter for 100 to 150 people in the course of a year. At the same time, it would add another dimension to our contact with the newcomers and help both them and us to extend our capabilities in the processes of relocation and settling in.

Appropriate reports on the experience are to be prepared.

Proposals for National Action

The experience of the Newcomers' project reinforced the experience of Travelers Aid in its basic program. Therefore, recommendations beyond this local community growing out of this experience can only underscore and amplify recommendations already made.

1. Residence laws excluding newcomers in need from necessary help should be eliminated.

2. If removing these archaic restrictions should burden some parts of the country with a disproportionate share of the expense of helping newcomers moving away from poverty, new ways should be found to correct the imbalance through the use of Federal funds.

3. Ours is a national economy, and Federal planning and intervention may be the long-range answer to relieving or preventing the grave social consequences of shifts in the economy that create pockets of extreme poverty.

4. Federal funds should be spent to subsidize temporarily those who are dispossessed by major economic and social changes national in nature and origin. The American people have accepted for decades the subsidies paid to the shipping industry, large-scale farmers, middle-class homeowners and others whose economic well-being enhances our national well-being. This precedent should be used on behalf of this group, whose lives have also been disrupted by our changing economy.

3. LABOR RELOCATION PROJECT

In April 1965 when the Newcomer project was well launched in its single Neighborhood Center in Washington, Washington Travelers Aid started negotiating for expansion of the program, hopefully to encompass other areas of the city and to include additional needed but unavailable services which were important to newcomers. The cornerstone addition was to be vocational counseling and vocational training. Also, in the revised proposal was a recommendation that the Department of Labor, through the U.S. Employment Services files, should find some way to correlate job applications and employer requests on a broader basis than the local community; also that some means should be found for helping families and individuals to learn about and get to job openings in other communities, if they could not be placed in jobs appropriate to their maximum job skills and potentials in the local community. Pending such an arrangement the only alternative to helping newcomers find "any old job" in the city where they now are, is to return them to the community from which they have come, even though it may have already been determined that they will probably be returning to go on public assistance—not a job.

With no progress being made toward implementing the full proposal locally, National Travelers Aid staff led the way first to an appointment with Assistant Secretary of the Department of Labor who liked the ideas being promoted around employment, then with the Office of Manpower Development and Training, and with the United States Employment Service.

At USES it was discovered that pilot efforts of the sort being proposed were already underway in three or four States through their regional USES offices. That is, people for whom jobs could not be found in their home communities were being picked up and sent bag and baggage to other communities such as the shipyards in Newport News, where jobs were going begging. The USES paid all costs of transportation for the worker, for his family, and for their belongings, and each was given a flat sum, a quite adequate relocation allowance, to help them get set up and to maintain them until first pay. The program had already been running for nearly 2 years and was about to come up for renewal of contract. There was some concern about the future, however, because, despite the fact that the people had money and steady jobs, after relocation a disturbingly high percentage were giving up and going home—to nothing.

On the basis of our developing experience in the Washington TAS Newcomer program, where a trained social worker was helping newcomers to achieve social and emotional as well as physical relocation as companion to a job, a contract between USES and TAAA was signed June 2, 1966, for Travelers Aid social workers to be added to the labor relocation teams both in communities of "Supply" (workers and no jobs) and in the communities of "Demand" (jobs but not enough local workers) in the States of Virginia and West Virginia.

This program involving TA social workers to help in premobility screening and orientation of applications and in postmobility adjustment has not been in operation long enough to permit a reasonable evaluation of its effectiveness. Even so, in the first 2 months of operation involving 1,730 interviews, 343 families and individuals were seen by the social workers in the supply areas; 182 were helped in the areas of demand.

On the basis of only 7 months' experience, certain significant threads are emerging and certain adaptations are already being tried. It has been learned, for example, that it usually requires a period of 2 weeks in the supply area for initial interview, additional counseling as needed, and collateral contacts. It has also been learned that promptness in contact and the offer of an interested and helping hand in the demand area are highly important. The simpler the family's background and the more limited their prior experience, the quicker they become lonesome, discouraged, dissatisfied with their new surroundings. They return home unless a stable and friendly tie can be established to help them feel welcome, to offer a listening ear, and to guide them through the maze of becoming settled. Group counseling has proved useful in a number of circumstances.

Among the problems which we have found, such as the shortage of housing in the demand areas, has been that try as we may in the supply area to prepare the workers and their families for the higher cost of living after they relocate, many of them do not comprehend this until they are faced with the full impact of higher costs in the new community. Our agencies in the demand areas are giving considerable attention and time to this phase of counseling.

A few examples of both successful and unsuccessful relocation situations will show the program in action:

Successful Relocation

Mrs. H., an Eastern Shore resident, is 35, divorced, and supporting two children, a 2-year-old and a 17-year-old. The latter will move to help his mother before joining the service. The other child is in a church home and there is a possibility of his joining the family if the relocation works out well. Job interview funds were provided by the Virginia Employment Commission so she could explore job possibilities in Newport News. Our Counselor talked with her in Supply and met her in the Demand office. Everyone took a great personal interest in assisting Mrs. H. A delay in the relocation check necessitated a $20 loan for gas, tire repair, etc. from Travelers Aid. The counselor also was able to persuade the apartment agent and the utility company to wait for rent and deposit.

Then Mrs. H. received a traffic ticket for not having city tags. Our counselor explained the situation to the Police Chief who arranged to delay the hearing until Mrs. H. could purchase proper tags. Mrs. H. was genuinely touched by the Employment Commission's and Travelers Aid's concern and interest. Though Mrs. H's salary as a waitress is low, the addition of tips makes the move a sound one. She is pleased with housing, coworkers, and the entire situation. Her check came about a week later and she is doing fine.

Mr. B., an overly anxious, middle-aged man, was overwhelmed by the problems he encountered in New Haven. His physical condition was such that he had to secure a waiver; he could not remember exactly where he had lived the last 10 years; he couldn't face traveling back and forth from New Haven to the plant.

The counselor was impressed by Mr. B's desire to establish here. It had been extremely difficult for him to leave his home and he wanted very much to have a steady job. However, the frustrations intensified his feelings of insecurity and he was thinking he could not make the grade. The counselor accompanied him to North Haven where he found a room at the entrance to the plant. When, because of his anxiety, he had difficulty recalling where he had lived, the counselor helped him fill out the appropriate blanks for over three hours and sent the material to his wife for substantiation and to our agency for verification with old records of the State Welfare Department. All through this difficult time the counselor was aware of how much it would mean to this man to establish here. Once he was cleared by security and feeling comfortable on the job, he called for help in finding a place for his family. One Saturday in the pouring rain six hours were spent in taking him to visit several places which he thoughtfully considered before deciding on one. In this situation, too, he needed help in reaching a decision. When his furniture did not arrive as planned, he turned to this office for help in learning when it would be delivered.

He visited our office to return a blanket lent him. His immediate family is here; they love the new home; this morning he was pleasantly surprised by the arrival of his daughter's family for the holidays. He hopes his son-in-law may be hired by "his" company. He was very happy to see his only grandchild. Mr. B. says that he would not have remained but would have returned to West Virginia had it not been for Travelers Aid.

Mr. O., age 21, made application as a single man, having completed MOTA bricklayer's training. He delayed in reporting to Demand area (Richmond) until he married a young widow (age 18) who had a 2-year-old child. His income on the job was insufficient to care for the family. The only way they could manage financially was for Mrs. O. to go to work. Within 1 week, the Travelers Aid counselor made a total of five home visits and several other contacts to help Mrs. O find employment, to assist the couple in finding better housing, as well as to aid them with their personal problems. Throughout contacts there was evidence of acute lack of self-confidence and 'know-how' which would be difficult to believe unless one knew of the cultural influences and life experiences of the Appalachian people. There have been very real breakdowns in communication between husband and wife. The family has been here 3 months and a strong factor in their remaining has been the intensive work of the Travelers Aid counselor.

Mr. C. came to Richmond as a bricklayer and first stayed in a small community about 10 miles outside the city with another family, the O.'s from southwest Virginia who had been relocated in May. He moved his wife and five children and, with the help of the Travelers Aid counselor, the family settled in a house a few miles outside the city. They asked about the Travelers Aid counselor in Supply and laughed as they recalled her long walk to visit them. It was obvious they were pleased that she had made this effort, and they were impressed that anyone would take so much interest in them. The counselor helped Mrs. C. enroll the children in the proper schools. The family has given evidence of having many strengths. They have tried to help the O. family as Mrs. C. looks after Mrs. O.'s child while Mrs. O. works, and Mr. C. has provided Mr. O. with transportation to and from work. In spite of difficulties (limited income due to limited work), the C. family seems determined to stay in this area. Mr. C. has secured another job, whereby he can be assured of adequate income for his family's needs, and they seem well-relocated.

The young L. couple relocated from Eastern Shore to Newport News. Housing was the biggest problem and the time spent by the counselor seeking housing before their arrival was not productive. Acceptable furnished housing for Negroes is at a premium in Newport News. The counselor took them looking for housing all afternoon and at five, Mr. L. said he felt the counselor was through for the day. By no means, she told him; she was with them until housing was found. She reports his entire manner changed—he became relaxed and chatted easily—it seemed he needed a demonstration of faith and interest before he could begin to let down his guard with her. Through "desperation rather than inspiration," the counselor finally turned to a landlady who rented rooms only to men, introduced this quite attractive couple to her, and the landlady arranged to contact an acquaintance who had a very acceptable small apartment. The counselor in the next few days acquainted Mrs. L. with shopping and with the local community, and will help her seek work at a later date.

Unsuccessful Relocation

A set of twins and their close buddy, all about 19 years old, had moved together from Eastern Shore to Newport News Shipyard. After a few weeks one quit the yard because it was "noisy, dirty, and work was too hard," and located a job through a private employment agency but did not like this job, either. The other two soon quit the yard and all three were hunting jobs. The Travelers Aid counselor convinced them that the Virginia Employment Commission wasn't angry and got them back there—the mobility officer finally located work for them—a task made difficult because they insisted on being hired as a unit. Our counselor took them to the job and waited while they were interviewed and hired by a lumber company. She convinced them not to get an apartment immediately near the "neat girl" who worked in the office of their new job. In the counselor's visit the next week (to their roominghouse) the trio had made another job change to a printing company—the landlady said they "were nice boys, but flighty." In a brief time all three had gone back home—the twins were going into the Navy in preference to Army draft and their buddy went home and enlisted, too. He was positive he could remain with them. The following is the counselor's observation from considerable experience with these young unmarried relocatees:

"It is my feeling that J. is like some of the other young relocatees in that the job is not important to him since he is only marking time until the Service gets him. Because of this, he will not stay on any job with conditions he considers less than ideal. He objects to dirt, hard work, and responsibility and saw the move, I am afraid, as a chance for one last fling before the Navy took him. These boys may grow up in the Service and become excellent workers in the future, but the combination of present circumstances and lack of parental pressure to be on their own prevents a successful relocation. Sadly, this is the group which looks best on paper—young high school graduates, no ties, and ready for work—and is at the same time the least successful of the relocatees for the reasons above outlined."

Mrs. S. went to work on November 5 and was housed in a hotel operated by the employer and located adjacent to the plant. Her two daughters, ages 14 and 16, remained home attending high school in Holden, W. Va. Mrs. S. intended to return to Holden during the Christmas holidays and bring her younger daughter back to Maryland with her. Mrs. S. was quite concerned with the higher cost of living and with her temporary one-room housing facility, but remained because living conditions were relatively better there than in Holden—yet she was far from satisfied. She wanted a two-bedroom apartment or house. The Travelers Aid counselor spent a full day in December with her seeking housing in Aberdeen, which is within commuting distance from the plant. Vacancies were found to be few and far between and rentals grossly inflated. Mrs. S. went back to West Virginia for Christmas and returned without her daughter. A few days later she was informed that her daughter was ill. She told her employer she was going to see her daughter and requested that her job be held open until her return. Her employer was unable to comply with this request and Mrs. S. quit her job and returned home.

The following comments from our national coordinator for the project sum up the story to date:

"The typical Appalachian relocatees usually do not cringe at the thought of moving and accept it with less trauma than would be expected. Much of this could be attributed to our premobility counselling of the worker and his family. Of course, the chances of their remaining in relocation are strengthened by preliminary screening by the local State Employment Office; by our orienting the relocatees as to the new community; and by our giving doubtful or negative recommendations for relocation in cases where factors militate against successful relocation.

"As we had anticipated, the transition to city living is far from easy. In the beginning the new arrivals are beset by immediate problems such as housing, health, shortage of funds, transportation, and schooling. Coupled with these is their separation from family and homesickness. But Travelers Aid, fortified with case material from TA in the Supply area, is reaching out to them, giving supportive social services, and helping them resolve their problems and ease their physical and psychological burdens.

"Things which we take for granted such as buses, escalators, elevators, supermarkets, tall buildings, city noises, paved streets, vehicular traffic, crowds of people, congested living conditions, construction and demolishing of buildings—to name a few—frighten them. But with the passage of time and with counseling by Travelers Aid, most of them gradually adjust to their new environment."

Recommendations for the Future

1. The present contract which is due to expire in June 1967 should be renewed for at least 1 more year; a single year is too short a time to start, to achieve smooth operation, and to definitively evaluate the effectiveness of any innovative program such as this.

2. In addition to continuance of the present USES-TAAA project in Virginia and West Virginia, it would seem desirable at a very early date for this project pattern to be extended into other sections of the country, partly to expand the area of service per se, partly to gain experience in other localized and regional cultures among our population and with other industrial centers, and partly to broaden the variety of relocation possibilities to accommodate differing capabilities of people now in localities of supply.

3. As areas of demand can be expanded in an organized way, it is hoped that adaptations of the present pattern can be made so that persons who initially move on their own and are picked up in a city, such as Washington, can be "cut into" the program and helped to move to a third community by plan, when employment opportunities here are not appropriate to their

needs and potential skills, or if, for some reason, they have difficulty in achieving successful social readjustment here.

4. We see planned and orderly redeployment of manpower as a realistic concomitant to shifting concentrations of industry and job availability. We further sense that this type of activity holds high promise for reducing unemployment and increasing self-maintenance among our people; and for contributing to our growing economy. Therefore, we believe that both government and industry should be congratulated on their readiness to undertake experiments of this type. They should also be encouraged to realize that taking into account the social as well as the economic components of relocation (whether of plant or of manpower) is good business.

5. We hope that as experimentation in redeployment of our working force goes forward, increased provision can be made for vocational counseling and vocational training at source and at place of relocation. This is especially important for unskilled and low-skilled workers, for on the one hand we are aware of the dearth of high skills necessary to the increased complexities of our age of automation and on the other we are convinced that our common expectations of the potentials for training among the impoverished people of our country greatly underestimate the capacity of many. By not tapping those potentials we are selling our people short and losing their optimum contribution to themselves and to the society of which they are a part.

IV. AGRICULTURAL MIGRANTS

The poorest of the rural poor are the agricultural migrants and their families who harvest America's crops. Their plight is a senseless social paradox. They make an enormous, absolutely essential contribution to our economy but they must live most of their lives in shacks and rusty jalopies, although in very recent years an occasional farmer has provided decent housing for a few weeks. They dress in rags. In many instances public schools are closed to their children. They have no proper medical care. They work from sunup to sundown and are called lazy. They are trapped in the work they must do, but few Americans acknowledge that they continue this bleak existence many never wanted because they have no choice. They are not guaranteed that an employer will pay them sick leave or contribute to a retirement fund. Exploitation is rampant, particularly by those who have "risen from the ranks" to positions of responsibility. Employee contributions which have been withheld from their pay for "Social Security" have been known to be pocketed by the crew leader. They are not even referred to as "people" but as "heads," i.e., when reporting in to a farmer, the crew leader will announce that he is bringing in "50 head." They never receive unemployment compensation, a benefit other workers—no more important to our economy than these migrants—have taken for granted for many years. Prosperous farming counties that could not survive without them scorn them as people and deny them basic public services unquestioningly available to the local residents whose affluence they help to make possible. Attempts to protect them or to lighten their burdens through legalization are thwarted by powerful political pressures brought to bear by organizations of their employers.

Their poverty is inherited as slavery was 100 years ago, perpetuating a way of life which can be changed either by automation or an aroused public conscience. When automation—over a period of years—eliminates the urgent need for their labors that exists today, they will not survive the change unless help—today—frees them from their economic bondage.

At the present time there are three major migrant streams in the United States, each with its many offshoots. They are the Atlantic coast, midcontinent, and Pacific coast. We shall confine our discussion to the Atlantic coast migrant stream, with special emphasis on New Jersey, the major northern terminal of the annual circuit which has Florida as its major southern base and Puerto Rico as another starting point.

Each year, in early spring, almost 25,000 human beings come to New Jersey to undertake the task of harvesting our crops. Their importance to the State's economy is emphasized by the fact that its agriculture is almost a million-dollar-a-day "industry."

Their treadmill of poverty propels them through an existence in which only the crops are familiar to them. It is an existence of all work and no play, where frustration upon frustration often leads to acts of violence. It is an existence conducive to decaying family relationships, premature marriages between immature people, alcoholism, and mental illness.

One of the greatest gaps in programs for seasonal agricultural workers appears in social and welfare services. This is true in New Jersey where some of the most important rural counties have no private or voluntary social service agencies at all, and the local public welfare offices cannot or will not help the seasonal or migrant workers. Most voluntary social agencies are in urban areas of the State. Even where they extend their services to less-populated zones, their functions are usually limited to counseling—to helping their clients cope with their emotional problems. By and large, their clients come from the middle and lower middle socio-economic levels.

The municipal welfare agencies, faced with the realities of budget deficiencies, for the most part, use lack of residence as a wall between them and the seasonal workers. Where help is given, it is usually money for transportation—away from the community—not on the basis of what is best for the applicant, not on the basis of what he wants or needs, but on the basis of what is cheaper for the town. Too often it is deemed safer to get the applicant out of town than risk upsetting the present laws of local option and residence through possible legal action and court tests.

Almost all of the seasonal workers are mobile—moving from State to State, from crop to crop, even from farm to farm. They travel from South to North, from East to West, from Puerto Rico to the mainland, and from one culture to another. Wherever they go, they are met with hostility, suspicion, and bias. Their coming is accepted by many with reluctance, and their value to the area is admitted begrudgingly. Their departure at season's end is often not only welcomed—but at times hastened by those who have benefited most from their labors.

On May 1, 1964, TAAA joined the New Jersey State Health Department in a demonstration project designed to show the effectiveness of a reaching-out approach to social service for migrating farm workers. A mobile unit donated by AFL-CIO Community Services is being used for this purpose. The project, now in its third year, is limited to Salem, Gloucester, and Cumberland Counties, based in the Health Department field office in Woodstown. In 1965 alone, 260 migrants were given intensive help by the program's only and fully-trained caseworker.

A corollary goal is the education and involvement of the local communities with the problems of the migrant workers who contribute so much to the economy of the area. Through the use of intensive social casework, community organization, and public relations, TAAA is becoming known as the social service for seasonal workers, and has gained the confidence and cooperation of many farmers, crew leaders, police, community officials, and laymen. Through the use of its Chain-of-Service, New Jersey's services to migrant workers have been brought to the attention of officials in other States where agricultural workers made an important contribution to the economy.

A Travelers Aid advisory committee of citizens to furnish ongoing community support and understanding is being developed. Working relationships with other organizations are being structured. An experimental adult foster home has been found, supervised, and used. Free legal services for migrants have been obtained as needed. The nucleus for a group of volunteers is functioning and will be enlarged as the need grows. Interest in the project and in the problems of seasonal farmworkers has been stimulated throughout the tri-country area and has spilled over into adjoining areas.

Case Discussion

By and large, the migrants prefer to earn their way—they don't want public assistance. Emergencies beyond their control, however, often create needs which they cannot possibly meet without outside help. Since most local residence laws exclude them, they must literally "beg, borrow, or steal" to meet their emergency needs.

Mrs. A. gave birth to a daughter prematurely. The baby lived 5 days. Mr. A., who had been supporting his wife and three children regularly and sending a few dollars each month to his aged father in Puerto Rico, could not pay the hospital bill, nor could he pay for a funeral for his infant daughter. The local public welfare director refused to pay for the funeral because "the man was working and should have saved up for it." When Travelers Aid finally persuaded him that by law he was required to pay for the funeral of any indigent who died in his community, he paid an undertaker $30 to bury the child. He did not notify the parents who did not learn of the burial for 3 days after it had taken place.

Although most local welfare directors do not stoop to such extremes, very few show any sympathy toward the migrant. In New Jersey, communities may participate with the State whereby they would receive an 80 percent refund from the State for money expended for needy nonresidents. Most small communities refuse to participate even to the ultimate extent of 20 cents per dollar.

Mr. B. was to be discharged from the hospital after major surgery. He wanted to go back to the warmth of Georgia to recuperate. The local welfare director refused the cost of bus fare and food in the total amount of $25. Had he given it, the ultimate cost to the community would have been $5, since $20 would have been refunded by the State of New Jersey.

Often the desire to leave the migrant stream is so great that a family will undergo any sacrifice to remain in a community. Usually the prime motivation is to educate the children.

Mr. C., his wife, and four children were given the free use of a barn in which to live in the off season. He partitioned off a room in which all were to live, got a kitchen stove which burned artificial gas, and put the water pump in working condition. He covered the floor with flattened cardboard cartons and insulated the walls of the "room" with newspaper.

He got a job in a nearby plant which processed frozen egg products. When Travelers Aid was called into the situation, it found Mrs. C. in the hospital with pneumonia, the children's clothes were inadequate for the winter weather; the propane gas tanks were empty, and Mr. C. was trying to cut up logs for a wood-burning stove with a machete. His hands were frostbitten—the company which had employed him had not given him gloves when he worked in the freezer rooms. When asked if he wanted to return to his native Puerto Rico, he said: "My babies get education here if I have to die." TA arranged for him to be hospitalized for treatment of his hands. Between AFDC and the State Bureau of Children's Services, clothing was gotten for the children, medical care was arranged, and 24-hour homemaker service was also obtained until the mother returned from the hospital. Compensation from the negligent employer and a better job with him awaited Mr. C. when he left the hospital. He was helped to find adequate housing and it appears that his children will "get education here."

Each year shacks burn, resulting in fatalities. Often the migrants' survivors are entitled to legal redress, but the survivors are either far away or even if on the scene, they don't know their rights, and in most cases no one tells them. The same is true in the cases of farm accidents and auto accidents.

Mr. D. was seriously injured when hit by an automobile while walking along a highway. He knew the driver and while he was still in the hospital, an insurance adjustor tried to get him to sign papers, which he refused to do. Travelers Aid had the county bar association appoint an attorney to represent him without charge, since it was felt that the negligence was so clear-cut and his injuries so great that he could have gotten $50,000. When he was well enough, he left the hospital for New York where he hired two lawyers, who could not practice in New Jersey. He would not cooperate with his bar-appointed attorney because "why should anyone do anything for me for nothing?" As a result, so much time went by that he lost his case by default.

This attitude of suspicion and hostility toward anyone trying to help them is most common among the migrants. They are so isolated by and from the community that they find it hard to believe that anyone would want to help them, and even harder to trust and accept the helping hand.

During our 3 years of day-to-day contact with agricultural migrants, we found more cases of mental breakdown and suicide than anticipated. The conditions under which they work and live are conducive to both, except possibly for those to whom migrancy is an emotional outlet or escape.

Mr. E. lived in a "company house" for which he paid $40 a month. The house, more than 50 years old, had no plumbing whatsoever—not a single pipe in it. Originally, it had living quarters (2½ rooms) on the first floor and a loft or attic on the second, directly under the roof. The water pump and privy were about 200 yards away. The house, for which Mr. E. paid $40 a month, however, had no living quarters on the first floor—the interior partitions were down. The main house walls had holes in them large enough to walk through, so it wasn't necessary to use the door. The only furnishing on the first floor was an old electric refrigerator with a small container of lard in it. Mr. E. had partitioned the loft into living quarters. One insulated room had two large double beds adjoining each other in which he, his wife, and five children slept. There was a large oil-burning space heater which overheated the room and created a fire hazard because of its closeness to the wall. The cooking was done in the other half of the loft—unheated, uninsulated, and dirty, on a two-burner hot plate.

One day while the older children were in school and he was caring for the sick baby in his wife's absence, Mr. E. tried to hang himself. When his wife returned and cut him down, he was hardly alive and was unconscious for 3 days in a nearby hospital, from which he was discharged, incidentally, without having been seen by a psychiatrist. In his pockets were a number of illegal, threatening letters from a finance company.

After this all happened, the children were placed in temporary foster homes pending the finding of new living quarters. A farmer, who knew Mr. E. as an excellent and hard worker, loaned him the money to pay his bills and promised him year-round work on his farm. Legal action was brought against the finance company for the threatening letters. It appeared to have two different types of notices—regular ones for its regular clients, and threatening ones for migrants. From the depths of despondency and depression, Mr. E. was given a glimmer of hope. The psychiatric help or even examination which he needed was not, however, available to him.

A long-range, ongoing program of social services for seasonal and migratory agricultural workers could form a foundation for a solution, utilizing TAAA's Chain-of-Service and its specialized skills. This program is mobile, reaching-out, and flexible, rooted in professionally accepted principles of social casework and community organizations. It is a vital companion to the in-town newcomer programs, such as the D.C. project already described. Directed toward the same goals, it is adapted in format to its more fluid setting.

Emergencies have been avoided by taking steps in the right direction early enough, and many more should be avoided in the future. The migrant workers who know and understand New Jersey's motor vehicle laws are not arrested for driving without operators' licenses. They do not jeopardize their season's earnings by carrying them in their pockets if they are taught to understand the use of banks.

Long waiting periods for AFDC are shortened considerably when the families are reminded to bring children's birth certificates with them. Registration of children in schools can also be facilitated. Educating migrants to the use of area recreational facilities may reduce the incidence of "weekend alcoholism." In the predominantly patriarchal Puerto Rican families, concurrent counseling at home while the fathers are working in New Jersey may reduce the incidence of juvenile delinquency and family breakdown.

These functions are practical examples of the implementation of the purposes of the program. They are preventive, educational, and remedial. They assure the agricultural migrants and seasonal workers the opportunities to improve their lots in life, whether they remain in the migrant stream or decide to leave it.

For those who wish to leave the migrant stream, but lack the "know-how" to effect this move, and are without the employment skills to maintain themselves in a community of their choice, TAAA acts as the liaison with and referral agency to facilities set up to provide necessary retraining. TAAA's services in these instances are available to the migrant retrainee until he is settled in his new community and his new field of employment, since such changes involve many personal, family, and social problems other than employment.

In addition to a fixed office in each county, an office on wheels is utilized. TAAA has found this to be extremely valuable in carrying social services directly to the labor camps. Use of a mobile unit helps implement flexible hours of service since camps can be visited during lunch hours and evening hours when the workers have free time. It brings services to those workers who have no means of transportation and could not easily come to a fixed office. It is also a moving, visible, and dynamic reminder to those almost forgotten people that someone is interested in them and willing to come to them.

Methodology

A. Intensive casework service, including counseling and environmental help, is the primary tool used in helping people. Although most of this service is given at times of critical emergency, the long-range goal is to prevent crises from happening, and to help the workers make practical plans for their futures in the light of the realities and actual possibilities. Material help is given to those who need it, since, obviously, people must meet their basic material needs before they can cope with their other problems. Counseling is given on both an individual and group basis.

Direct Services include counseling in:

1. Learning how to use community resources.
2. Financial problems and budgeting.
3. Family problems, including the separated family, the one-parent family, and the multiparent or extended family.
4. Problems with children, including the predelinquents and delinquents, the culturally unassimilated, and the physically and emotionally deprived and neglected.
5. Social and cultural adjustments.
6. Family life education (group sessions):
    a. Improvements in family living.
    b. Emotional need of children.
    c. Family disciplines.
    d. Marriage.
    e. The aging person in the family.
    f. Getting along with others.
    g. The problems of mental illness and the readjustment of the former mental patient in the home.
    h. The use of banks.
    i. Rights and responsibilities.
7. Resettlement problems:
    a. Education.
    b. Retraining.
    c. Adjustment to a stable, stationary way of life.
    d. Adjustment to a new community.
    e. Learning how to use community resources.
8. Pre- and post-hospital planning:
    a. General hospital.
    b. Mental hospital.
9. Information and direction:
    a. For those coming to New Jersey.
    b. For those leaving New Jersey.
10. Alcoholism.
11. Geriatrics.
12. Unwed mothers.
13. Homemaking services (where not available).

B. Psychiatric consultation.
    1. Staff.
    2. Agricultural migrants and seasonal workers.

C. Referral to and cooperation with existing organizations.
    1. Physical and mental health.
    2. Public welfare services.
    3. Nursing services.
    4. Legal services.
    5. Retraining program.
    6. Rehabilitation facilities.
    7. Educational facilities.
    8. Public child care facilities.

D. Community organization and interpretation.

Speakers are furnished upon request to civic groups, professional and service organizations. The services of TAAA Public Relations Department are available to the program.

Meetings are held with growers and other interested people on both group and individual levels. TAAA, in cooperation with other interested organizations, works toward lessening tensions between seasonal workers, farmers, and townspeople. TAAA works actively on local, regional, and national levels toward legislation aimed at improving the lot of the migrant and seasonal farmworker.

TAAA is developing a plan to assist all migrants who wish to leave the "stream," to accomplish this goal. Planning for this facet of the program must be initiated early in the season. Many workers do not realize that leaving the migrant stream is even a possibility for them. All workers must be made aware that this can be done.

Those who plan to remain at the end of the season must be taught to budget their earnings so they might have some funds to start them off in their new surroundings. Housing must be found for them. Orientation to year-round living should be initiated as early as possible. With the cooperation of the staff of the local tri-county community action program, retraining and education is arranged. Should the worker wish to leave the stream upon return to point of origin, this can be accomplished through the use of TAAA's Chain-of-Service.

Remedies

1. Governmental agencies on all levels must join hand with voluntary social agencies and civic organizations to tell the public of the plight of the harvesters of its crops and through joint effort effect necessary changes.
2. There must be a concerted effort to erase local residence requirements, or to amend the laws to include needy nonresidents.
3. The migrants must be apprised of their rights and responsibilities as citizens.
4. Basic adult education, with maintenance allowances, is the springboard from which other steps forward can be taken.
5. Training through the Department of Labor, Manpower Development and Training program, and on-the-job training can then be offered to those who qualify and want to leave the migrant stream.
6. Planned resettlement to communities where the skills are needed can then be undertaken for those who have acquired new skills. Basic adult education and job training alone are not enough; there must be followthrough. Ways must be found for hard-won, newly learned skills to be used, for without practice training will be lost and skills will disappear.
7. The entire process should be interwoven with a strong strand of personal and family counseling relative to the entire new way of life in order to make the transition from a nomadic existence to one of security and rootedness more comfortable. For them, unlike the farm family moving to the city, it is not a matter of help in changing and reestablishing roots, but rather of learning to put down roots in the first place.
8. For those who prefer to remain close to the soil, uniform standards of decent housing, sanitation, health, and recreation must be set by law.
9. These migrants must be given the same benefits as those workers who work in factories or other fields of endeavor.
10. Off-season employment should be provided in order to permit them to remain in the area of their choice, harvesting the crops during the season, working at other jobs after the season, without having to move to the other end of the treadmill to harvest their crops.

STATEMENT SUBMITTED BY BEN NEUFELD, BETHESDA, MD.

While this statement is based upon my experience as executive secretary of the National Council on Agricultural Life and Labor (NCALL) it is not a statement of the council. Because of its nature, the council has never issued statements of position; besides, it no longer exists. In part, it represents the thinking of some members of the board of directors of the NCALL Research Fund, a separate organization which does continue to exist and to which I shall refer later.

Oscar Lewis and others write of a "culture of poverty," a many-faceted way of life of many but by no means all poor people. Robert Theobald and others define poverty as simply the absence of money. If the grand strategists of the War on Poverty, regular and armchair, were clear about the nature of their enemy, then, as Moynihan has pointed out, the political process which continues the war could not be as chaotic as it has been.

West Virginia last month released a report saying that the State is making a comeback, with coal production almost at peak level, unemployment down to well below twice the national rate and population stabilized—but after a population drop of some 200,000. The story didn't say so, but if this drop was typical of population movements from depressed areas, this number represents not 40,000 to 50,000 families each with one worker but a far higher number of employable men and women, many of them single. I, for one, dissent from the view that this is a victory in the war.

It is my impression that Lewis is absolutely correct about the existence of a scientifically definable culture of poverty. It is also perfectly obvious that much of the behavior that makes up that culture pattern is dictated by the positive lack of money or by a relative shortage of cash within the culture.

Similarly, the culture of nonpoverty is characterized by a variety of very different ways of demonstrating one's importance in his world. Many of these are related not to the size of one's income or how it is spent but rather to how it is obtained.

One aspect of this demonstration seems to be, for most of us, a job—as contrasted with income from most other sources.

Another separate aspect is the nature of the work done. Still another has to do with the terms and conditions of employment, as such. And still another is how far, geographically and socially, the person went to get his job. These do not come into play unless there is a job to begin with, and it is therefore to this first aspect that I wish to address myself, but within the context of these others.

Very little attention has been given by the poverty fighters to these matters with respect to people in rural areas. They have sought to expand training programs, but where these have been tied directly to employment opportunities at all, they have been tied largely to opportunities elsewhere. Rural Areas Development (RAD) and the Office of Economic Opportunity (OEO) have spent or caused to be spent great sums on occupations which have limited status as well as limited cash value. In the urban ghetto, we object to people's having to be housemaids or hotel chambermaids, but RAD is helping create resorts for city folks wishing to enjoy reasonably priced vacations but at which these very kinds of work are expected to be major sources of income for the local people.

Where are the new careers for the local poor? For that matter, where are the jobs for the rural poor? Whatever became of the Rural Jobs Task Force for which the White House Conference To Fulfill These Rights called?

Why is so much of the energy of preparing these people for jobs expended on the assumption that the jobs are in the cities? For one thing, they are not; the extent of unemployment among young people, particularly among minority groups, in the cities is appalling. For another, they need not be, although in the budgetary calculations that go on continually both in and out of government, that is the easy answer. Yet, I think that President Johnson, in several statements last year, clearly expressed my own belief that this answer is not the right answer. I hope my following remarks will move this Commission to a positive recommendation in the area with which they are concerned.

Simply stated, I propose that private industry—and I emphasize industry—be brought into the war on rural poverty.

This area is not to be the whole war, but I believe it is an important part of a war which also includes such other parts as equal opportunity in farm programs, legal protections for all workers including hired farmworkers, effective enforcement of reclamation law, creation of low cost housing, job development in service areas, adequate education, child care programs, use of farm programs to protect the family farm, closing the open border with Mexico, and so on, a whole host of them of which you have heard in the course of your hearings.

On the matter of the effect of the present government effort in the farm programs, I refer you to one member of your Commission, Professor Bonnen, who has clearly stated the case. If it has not already been made a part of your record, I would commend his article, "Rural Poverty: Programs and Problems," to your attention.

Having heard and read some of the statements made to you, I specifically want to associate myself with those witnesses who, like Miss Stockburger, sharply distinguished between palliatives and solutions. On the other hand, I specifically disagree with the view of the National Association for Community Development (NACD) that there is now in the Government a great interest in rural poverty. Let me review the history of your own Commission. President Johnson suggested the need for such a body a year ago. Along with many others, I submitted nominations to the White House almost immediately afterward. Yet, the Commission was not appointed until late September. Eight weeks later, one sixth of your lifetime later, your executive director told me he expected to have his first operating funds within a few days.

Generally, I support the proposals for "more of the same" that you have heard, because all of the programs have their places. There is a question about those proposals I should like to raise in general terms: What are realistic priorities? Is there a political dimension to be considered along with impact and need? I am thinking of the response of Richard Boone on this subject. What could be the social impact of serving children and youth ahead of their parents? We are looking to you for some answers.

In what is already being done and thought of, private industry is playing an important and growing role. My preceding remarks were dedicated to the notion that the projects in which industry is working are largely inadequate and are all wrong in some respects; with respect specifically to industry's role in these approaches, I submit that it does not really involve involvement at all. All industry has done is offer its services and hard and soft products to government and private nonprofit organizations to help them do their jobs. In this limited sphere, industry has made some real contributions—which, but for chance, could just as well have been made in the urban slums. Industry can no more be said to be involved in the struggle against rural poverty than it can be said to have been involved in your work just because it produced the paper and photocopying machines that are among our tools and yours. Inspired solely by the profit motive, not by any desire to be helpful regardless of reward, it has simply produced as required by the circumstances in urban areas.

The "private sector's" other component, by contrast, is very directly involved in rural as well as urban poverty. All kinds of nonprofit entities are fighting the good fight as they see it. Churches and many other organizations have sent their own people out into the rural areas. Unfortunately, their resources and those available from government are severely limited. Furthermore, these groups often have limited interests and therefore almost as often as not are part of the problems to which I have referred, inadequacy or misdirection. No one, including government, has yet been able really to broaden areas of interest.

In fairness, I should add that, for some, this results from excessive zeal and impatience for results, but this is a poor excuse. These groups are missing some of the most valuable lessons they themselves are teaching to other people. Instead of abolishing poverty, they are making it less objectionable: A little more cash but little if any more of the status to which we pay lip service.

Foundations, by and large, have found plenty of outlets for their funds in the metropolitan areas and abroad. I have not yet found a foundation of any size which is making any significant investment in rural people in the mainland States, with the possible exception of those interested in Indians.

Universities and colleges are just discovering the rural areas, and only a few are working on the social, economic, and cultural problems of the people who live there—working on, as distinguished from describing. My own university's president personally testified before Senator Ribicoff's subcommittee suggesting that the universities be brought directly into the fight in the cities; how many presidents made the same request of you.

About a month ago, as I was starting work on this paper, it was revealed in the press that the White House had discarded a carefully prepared plan of the Department of Housing and Urban Development to entice nonprofit funds into the fight against urban slums, this being one portion of the War on Poverty. White House "sources" said the plan could not possibly attract enough money to make a dent in the problem. I am inclined to agree. In the light of this development, consider the plight of the rural areas for which no Federal agency has responsibility to develop such plans and no agency with interest has enough money with which to develop such plans for nonprofit or any other kind of participation.

In sum, I have reluctantly come to the conclusion that, unless private profit-making corporations can be brought into the war on rural poverty in the simple role of engaging in their own principal activities, the war cannot be won and, indeed, will not even be fought.

I want to make it plain that I am not talking about the "transition city," a new popular notion receiving some attention in the South, in which the major activity is preparing people to move to urban areas. The proposals of which I have heard call for job training along with a multitude of other services directed toward making families ready to handle the hazards of the good life. This means the creation of city-type jobs but not of a city-type labor force because the program postulates a need and desire for out-migration from the "halfway city."

On the contrary, I see the kind of program I envision as the only possible basis for economically viable new communities. It seems to me to provide the missing ingredient to the new rural cities movement which has so far implied by silence that it has no economic answers but would apparently have people live by taking in each other's wash. I do not consider Reston, Va., an example of a new rural city meeting these problems. It is really only a new suburb, however independent it may become in time. Weston, Ill., near Chicago, may be a good example of a rural community's getting a new industry on the model I envision—maybe because a factor in its selection was proximity to other research facilities in the area, and we do not know how many of the 2,000 new jobs will be filled by people brought in with the 9,200 tons of magnets—but there is not likely to be even one more proton synchroton built.

I want to make it plain, also, that I do not intend to endow industry with virtues it does not possess. Industry is simply the only agent, other than the uncertain future Federal grant programs of one or another sort, by which large amounts of money can be brought into a community, and that I assume you are trying to achieve as one necessary part of the solution to rural poverty.

Without this kind of economic enhancement, no amount of community organization can be of much lasting benefit. Conversely, community organization is absolutely vital for the protection by the local people of their own interests.

The elimination of poverty requires the use of three approaches simultaneously:

Providing opportunities for people to earn incomes to buy themselves adequate quantities of the necessities of life; providing access to those opportunities; providing sufficient income for those who cannot take advantage of job opportunities.

In rural areas, relative to metropolitan centers, the elimination of poverty requires a greater effort because elements in all three approaches generally have been long neglected—there is relatively less economic, social, and cultural base on which to build, and the relative importance of the first approach, the creation of jobs, is considerably greater. Furthermore, a fourth aspect, the providing of access to the nonjob elements that make up the American way of life—education, culture, recreation, and so on—must also be considered but largely, in rural areas, as it applies to all segments of a community, not only the impoverished, for you have heard ample testimony about rural deficiencies in this sphere.

The suggestion that industry can become involved stems from the fact that American corporations and combinations in a wide variety of endeavors have found it profitable to carry on their principal activities in far corners of the world. Since the 50 States are no less hospitable, it follows that the same possibilities exist here at home.

Federal Government programs to eliminate poverty have been severely restricted in scope or financing or both. The steps taken within the last 3 months by the Congress, the executive, and the electorate leave little doubt that the situation is not likely to change in the foreseeable future. Existing programs in OEO and the old departments have not had the necessary impact and have been further curtailed in the present effort to minimize cash outlay for domestic activities. Sargent Shriver, announcing the effect of congressional action on his ability to wage the War on Poverty, made a point of saying that rural areas would be particularly hard hit. The reason is partly that the places where the demand for action appears greatest are in the inner-city ghettos.

Many factors are overlooked in the analysis which produces this wholly unsatisfactory urban-rural balance, largely because rural poverty is virtually invisible to the vast majority of the American people:

Migration to the cities from the countryside, recent and in earlier generations, of people unprepared to enter the socioeconomic system they find there, is a major cause of the urban crisis. In broad terms, the cities have created their own "revolution of rising expectations," and increasing attention to their problems will only increase the restlessness and movement by making the contrast between poverty in country and city all the sharper.

Rural poverty is getting worse, not better, as others have documented for you. For example, unemployment is reaching disaster levels in many places where it has not been so before, as mechanization of agriculture and reduction of production combine and accelerate. Schools are less able to educate children in the subject matter that matters in our day. At the same time, as experts from President Johnson down have observed, the ability of rural communities to deal with these problems is decreasing as the most ambitious and intelligent children, both those who are prepared and those who are not, see their futures elsewhere and move on.

People facing poverty in rural areas are also becoming impatient and militant. An Air Force Base was "invaded," an international bridge was blockaded, a National Forest was "recaptured," and people in close touch with the situation in various problem areas assure us the situation could explode there as easily, suddenly, and violently as in Watts, Harlem, or Chicago.

This is not an argument for doing less for the cities; it is a plea for more attention to the half of the poverty population which lives in other places.

Yet, the situation is not going to change without the introduction of new forces. Every positive suggestion for Federal action in recent years has been stopped. Where there has been sufficient logic to an idea for starting on the first approach, it has been turned into a move along any of the other three and then handcuffed either fiscally or by legislative restrictions or by administrative action or by a combination of these.

Because the political situation has been and still is such that government will not act, the need for action being taken as indisputable, and the nonprofit sector has neither the resources nor the interest in rural areas to make a significant contribution there, private industry must be the new force.

It is assumed here that industry has not been so in the past because it has not been profitable for it to be so. The essence of this proposal is that it is possible to formulate conditions under which it would be profitable for manufacturing industries to take the lead in all four of the approaches listed above and that they then will—perhaps not in every possible instance, but in enough of them to have a positive influence—move into rural areas. The manufacturing industries are singled out because these are the only agents capable of bringing large amounts of money into an area and leaving it there. Loans, of course, represent a net outflow.

I believe it is necessary to deal with a large number of problems before the management of a corporation can even start to make the decisions which will lead to investigation of rural sites.

It takes little imagination to build a wood-pulp-using plant in the middle of a Southern forest or a power plant alongside a coal mine or a vegetable soup factory where the vegetables grow, however much courage it may take to overturn the instincts of management for the city life. I learned in elementary school that things were supposed to work that way. But this is not enough. For one thing, many of these kinds of plants are increasingly automated. For another, they have not nearly enough market to do the job alone. We need a breakthrough in the creation of new areas for investigation.

I believe a major research effort is necessary to bring together all of the problems and the range of private and governmental—Federal, State, and local—solutions for them. The NCALL Research Fund, which I mentioned earlier, has tried without success to explore the possibility of its being funded by industry to do this work, drawing upon its directors' knowledge of rural people and their problems and their experience in dealing with them in the context of the most urban society in the world. We proposed to work largely through the participating corporations and consultants to ensure full consideration of the industrial half of the equation.

I suggested this approach because I question whether a corporation working alone can achieve the desired goal. First, there is the danger of its being excluded from using whatever package of programs it develops because of possible conflicts of interest. Second, if new legislation is needed, and we believe it is, at least to the extent of increased appropriations, it would be necessary to have broad industrial support for legislative action. And, third, the broader the area within which the experience of industry can be directly tapped in the planning of the package, the more widely applicable the product will be.

These factors seem to be extremely important because the rural poor themselves have long been underrepresented in the National and State Legislatures. Reapportionment has had a deleterious effect only indirectly. Fewer members have had any notion of the problems; the number with appreciation and sympathy has probably not changed.

What are the major factors which need to be taken into account if industry is to be able to add plants in rural areas? Here are some, as we see them:

How does industry find out how they will be received in a noncommunity? What kind of information can be developed to convince a board of directors and government that the investors will not be run out of town? Given a long timelag in some areas of development, how do we determine whether there is enough interest to promise continuing support? What must be done to nurture that interest, and who should do it?

Spending large sums of money will not be attractive unless there is good assurance that it will not be lost through failure of third parties to perform. The variety of factors which must be brought together to provide that kind of assurance requires broad, long-range planning of a kind that is not necessary for a company building in an established metropolitan area. Federal aids, not State or local, might be made available to industry as they are to municipalities for this kind of planning. Where State and local government or private grants of cash or service are available to attract industry on the strength of local resources, they might be called upon in some instances, but due regard must be given the granting agency's financial soundness no less than its objectivity. More important in the long run may be governmental guarantees of private investment.

What about diversification? Will communities rush to accept defense industries without regard to the hazards involved? Must a Federal agency assume this responsibility in its review of applications for whatever assistance might be made available?

A related key question: To what extent should the Federal Government and an interested industry have a means of overriding unwillingness on the part of State and local power structures to accept outside influences? I feel the answer is "to a great extent." But is there some legal basis on which it would be possible, in order to assure opportunities for jobs, and the like, through this approach? The question parallels the OEO-veto question.

Transportation and communication are difficult or costly in rural areas by existing means. Either some kind of short-term underwriting of systems themselves may be necessary or else positive exploration of new and unconventional methods must be undertaken to move the many needs of entire communities. For example, there is said to be a shortage of color television sets. Logically, more production is needed, in rural areas. It is already theoretically possible to ship color TV picture tubes from where they are manufactured to where they are to be used, by pipeline. This could be worked out in detail to be put into use when the tubes start coming off the production lines. Or, as I recall the history of the recent war, it was common to start every new operation by building an airstrip. With recent advances in aircraft, this might still be the best approach. We have to find out.

Plant construction theory has been developing over the years as new materials and processes are invented and insights are accumulated in layout. These need to be explored for relevance to areas which may have building requirements far different from those in the cities. I suspect that, in these terms, there is actually an increasing, not a decreasing, supply of building sites.

Housing and related amenities cannot be provided by either the venturesome corporation or the municipality but will be supplied by private third parties when the need becomes known. Nevertheless, both the corporation and the locality need the kind of master planning and related regulations that are common (in varying degrees of quality) in metropolitan cities and counties. How best can it be provided?

In particular, low income housing may be needed in addition to what is provided by builders for the middle income market. Some balance between need and availability must be struck in advance. What criteria can be used and what is the best way of implementing the resulting decisions?

One aspect which will require particular thought, and one of the areas in which new legislation may well be needed, is what can be done in those instances in which potential employees of the new plant own their own homes but live too far away to commute to work with their present means of travel. Who might provide funds to liquidate these properties through purchase or lease? Who could value these properties, many of them all but unfit for use, and who could administer such a program? Should the Federal Government do it? Are current proposals, to which Father Vizzard referred, for the

Interior Department to buy excess lands under Reclamation law, a model?

Schools must be enlarged, or even rebuilt, and staffed. Other local government services must also be created or expanded, before they are overwhelmed by new arrivals, or by old neighbors with new problems or a new ability to seek help with old problems. Responsibility for funding these expansions must be assigned and accepted, and means devised for ensuring that appropriate steps are taken at appropriate times.

These services are traditionally financed locally, albeit with State and Federal participation in many cases. What needs to be done to State and Federal revenue codes to permit industry to pay local taxes several years in advance of incurring the liability, much as the Federal Government pays in advance for power as its share in building some power plants? If this practice can be worked out so that the services paid for could be developed and the payments credited against later assessments, and if no fiscal disadvantage would accrue to the corporation, new Federal budgetary commitments could be far below what might be expected on first consideration of a bold, new approach.

Personnel is probably the greatest single difficulty. Maximum employment of the region's rural people is, of course, the major goal of the whole effort at rural location, and it must be enforced. But, people need to be informed of coming employment possibilities, applications must be taken, applicants must be screened, and prospective employees must be trained, sometimes also educated, without loss of their present livelihoods and with new sources of income in many instances. This task will offer challenges and opportunities of the greatest magnitude. While there are existing programs in this area, they must be pulled together and expanded financially and otherwise, I suspect, to fill spaces between rigidly defined agency responsibilities. People with rural habits and industries with urban orientation must somehow be made to accommodate to each other. Techniques of recruitment and skill upgrading must be developed for this new situation, not only for the corporation but for the entire local economy.

Not only the indigenous people but also selected personnel of the company must be considered. There are many reasons why metropolitan people would like to live in rural communities or small towns, including clean air, the natural beauty, the unhurried atmosphere that prevails in the absence of crowds, and freedom from the violence that increasingly pervades city and even suburban life. Many people have a nostalgia for the good old days which are thought to persist in small towns. For some, the attraction is a chance to "be somebody" in a smaller community. But, there are deterrents, too. There is the supposed "nosiness" of small town folks, there are limitations on the kinds of recreation available, both exciting and cultural. There are also limited educational opportunities, health facilities, stores, and just "places to go."

This may be considered a specialized aspect of recruitment, but it is more than that because of the need to pinpoint management and technical specialists. Although they will be few in number relative to the entire work force, the community must to some degree be tailored for them and their families and what they may mean is one of the things that must be explored.

With the new corporation, which will be the nucleus of the new local economy, will come other companies, organizations, and individuals anxious to make their own profits. The first new job opportunities will be in the construction of public facilities, the new plant, stores, roads, and the like. Later will come jobs manning the operations they will house. Homes must be built, maintained, provided with utilities, remodeled, and so on. Services must be provided for residents, businesses, industries.

A great deal of the needed service will be public in nature: schools, libraries, health, recreation, planning, engineering, recording of deeds, and the many other activities of local government. The State and county development commissions will find new virtues to promote.

What I am saying is that this kind of economic development takes advantage of traditional American economic growth patterns. It is not trickle-down; it is a build-up pattern which seems to me to avoid reliance upon a technique which was known to be impossible to the natural philosophers—pulling one's self up by his own bootstraps.

There are three special matters that must be faced squarely if the first step is to be taken at all.

One is the "runaway plant" problem. Under some existing legislation

Federal aid is denied corporations which are trying to evade unions. This proviso must be extended to cover any new legislation in this field. But, good faith must be shown by all participants in the research effort if it is to have the cooperation of the labor movement. This is not to assure labor's agreement in advance to any particular corporation's plans under the package we propose be developed, but it avoids the opposite danger of successful labor opposition to starting the development in the first place.

Second is the beauty-pollution problem. No new industry can be allowed to violate the spirit of antipollution laws or the beautification programs of any governmental body. The fresh air-pure water advantages of country life must not be spoiled by thoughtless planning or invidious architecture while population densities are still low.

Third is the matter of equal opportunity. A corporation must be able to hire the people it needs and the community must be able to house them. It must be made clear that the War on Poverty will not accept restrictions imposed by local prejudices; regions which will not accept this structure with respect to this program may have to be faced with loss of all other Federal assistance under existing legislation and modifications of such laws.

These are only some of many potential stumbling blocks in terms of internal corporate politics, or of State and local politics, but they must not preclude exploration of this idea. Too much is at stake for too many people.

There are two specific recommendations I should like to make.

One is that the allocation formulas for poverty funds be refined so that rural areas would get a fair share of the help. The total budgets should be divided into two parts of 45 percent each with one to go to rural and one to urban areas. This is roughly proportional to the poverty population breakdown. The remainder should be used to meet the special problems which are caused by the low population density which characterized rural areas.

As for stabilizing rural areas through industrialization, responsibility for the staff work now clearly rests with the President's Committee on Rural Poverty to whom you report.

Your report, in the spirit of Professor Nesius' testimony, should include the recommendation that it explore these areas, in full consultation with industry and with local government groups, to report to the President within 1 year. Most of the agencies represented on that Committee should have a direct contribution to make now, and all of them would be affected by the establishment of new industrial plants in the depressed rural regions which they have a mandate to serve.

Financing this exploration and report will probably require congressional action in the form of a small appropriation, not exceeding $500,000, because departmental budgets seem to be too tight to absorb this amount. Therefore, you should prepare a statement addressed to the Congress supporting such an appropriation, and you should seek to have industry back the request as well.

If the Congress refuses, the President's Committee on Rural Poverty should go to industry and seek its exclusive support. Industry has more to gain than any other group through the resulting expansion of markets and it should be willing to make this kind of tax-deductible contribution as a start in the right direction.

If this should fail, and if the President is unable to free contingency or other funds, then I think it would be appropriate to paraphrase Secretary Freeman's comments to Americans for Democratic Action in 1964 and let the rural poor know where they stand by renaming the War on Poverty and calling it the War on Urban Problems, which is what it has largely been since its inception. We could then continue to ignore the rural problems with a clear conscience and concentrate on helping rural people move into the inner cities so that we could bring out our stock of time-tested cures and really help them.

STATEMENT SUBMITTED BY MITZIE TURKFELD, ULSTER COUNTY, N.Y.

I have lived both in an urban and a rural area, and I have had personal experience in resort seasonal employment. The other major type of seasonal employment here is in the field of agriculture.

Our region, like other rural areas throughout the nation, has had a movement of nonskilled workers and their families to urban centers. In general, rural areas have limited personnel to understand, to take the initiative, and to apply for Federal programs to help the needy. We also follow a national pattern in the fact that we are behind our urban neighbors in the fields of health, education, recreation, housing, job opportunity, and community facilities. Yes, here I could make a general statement, "The only particular advantage we do have is open space, purer air, and somewhat purer water in the tributary of the rivers only."

To further complicate our situation, we have a large labor force move to the resort summer hotels and bungalow colonies. This source of labor is unskilled, unsteady, and a few stay on after the summer season. In addition, we have over 3,000 agriculture workers from the South, Puerto Rico, and the metropolitan area employed for seasonal harvest of crops. Although the migrant housing is somewhat better than I have observed in other States, it still has much to be desired. The need for day care centers and better health facilities is apparent. Occasionally, the harvest season extends into the school year and the children suffer.

At this point, I would like to make a recommendation: I feel that a number of rural problems could be corrected, and I also feel that some of the urban ghettos could be helped if they had better planning to attract industry to rural areas. This would reverse the national trend of this century in the migration of people from rural to urban areas.

Some large corporations, such as Campbell Soup Company, have achieved recognition and success by locating the plants in rural America. As I stated before, we lack local initiative to take advantage of the fine Federal programs to upgrade our social, economic, and cultural atmosphere. I think Congress has given priority to urban poverty areas, and the passage of the Demonstration City Act is a recent example. Admittedly, we have a number of fine Federal programs but we need more, we must establish a climate in rural areas to attract industry and peoples. With the population explosion continuing, how many persons can live in an urban area without multiplying our poverty problems! Perhaps on a somewhat smaller scale I can explain what has happened to some New York and New England industries. A number of them moved into the Carolinas. Here is where local initiative together with utilization of State and Federal programs to get factory sites, community facilities, housing, recreation and created the general atmosphere that I mentioned earlier.

Another observation that I would like to make is the fact that there is a lack of coordination in programs that require more than one agency. It is a very difficult task to keep abreast of regulations and applications when one agency is involved; however, when we undertake a program that involves two or more agencies, our problems seem to mount geometrically. This coordinator would have to be a specialist, he would need a knowledge of agencies such as OEO, HUD, HEW, Farmers Home Administration, ASCS, Extension Service, and others.

The rural housing loan under Farmers Home Administration is helping our area; however, there is a joint effort by Farmers Home Administration and OEO to establish a mutual self-help housing project that has progressed slowly, and the participants have, at times, lost enthusiasm. I understand only too well the time required to screen the participants, satisfy both State and Federal requirements, but I cannot help feeling that I'd like to light a fire under someone, someplace, to get the grant finalized. Another problem facing this program is the fact that both father and mother are working, and there is hesitation on the part of many to participate inasmuch as they will have to allot 1,000-1,500 hours of their own labor.

The seasonally employed cannot take advantage of this program because most of the building will be done in the late spring, summer, and early fall at the time when this group will be working most of the daylight hours. These seasonally employed who stay year round generally have the most substandard housing and this program helps them very little. Some of the participants who work in local industry can, however, participate. The first group in the mutual self-help program should start their foundation in the spring.

The population of my hometown is 11,245, but in the summer we have a population of approximately 30,000—the increase mostly due to the tourist trade. Outside of one municipal golf course, there is very little recreation. The hotels and large bungalow colonies do have some facilities but it is confined mostly to their guests. I have often thought that perhaps a large corporation might desire to set up a pilot plant here, especially those who have had experiences in demonstrating their method of production to daily planned tours of people.

In conclusion, I want to take this opportunity to thank the Commission for the opportunity of being heard. Perhaps my material has dealt more in a general nature with the problem of rural poverty; however, I cannot help but have a strong feeling that a rural atmosphere inducive to attracting industry would help alleviate some rural and urban poverty. I, for one, am trying to get these total facilities, and with the help of local, State, and Federal personnel and programs, hope to help rural people help themselves.

STATEMENT SUBMITTED BY CYRIL D. TYSON, DEPUTY ADMINISTRATOR FOR COMMUNITY RELATIONS, HUMAN RESOURCES ADMINISTRATION, NEW YORK CITY

What happens to a man who has spent his life chopping cotton when chemicals can do his job more economically? On Monday, February 13, the New York Times reported an estimate that 8,000 Negro farmworkers will lose their jobs on Mississippi plantations this year, an ironic tribute to the success of scientific agriculture.

Spurred by the extension of the $1 minimum wage to farmworkers, the Times reported, commercial farmers and landowners are displacing increasing thousands of sharecroppers and laborers, forcing them into the cities where they are condemned to the scrap heap of the unemployed.

Between 1960 and 1964 alone, 170,000 largely unskilled Southern Negroes migrated to New York City, a rate of 42,500 a year compared to 17,250 annually for the previous decade. Thousands of Puerto Ricans each year leave rural Island slums for New York. The newspapers continue to document the stories of migrants who seek new lives in cities which are ill equipped to receive them. But that really is only half the story. The other half is the utter inadequacy of community development, education and training, and social services in rural America.

It might seem strange to you to hear this case from a representative of this nation's largest city. I do not by any means intend to convey the impression that rural America should be assisted at the expense of our cities unless we aim to juggle the poor as helpless figures in a cruel bookkeeping game. It is a fact, however, that there is a sharp disparity and that, in addition to the overall need for increased financial resources to fight poverty, this disparity cries out for correction. The problems of the rural and urban poor cannot be solved independently, and joint effort is required to win the resources for more than token action.

The rural migrants are unprepared for urban life, but there is little inducement to remain at home. In 1965, the State of Alabama spent $12,000 on general assistance to the poor, with local governments doing nothing at all. Six Southern States had no program and local aid in those States ranged from $234,000 in Mississippi to under $3 million in Florida.

Although people in rural areas constitute less than 30 percent of our nation, they are 43 percent of the poverty population. More than 88 percent of nonwhites live in substandard rural housing, compared to 46 percent in cities. Rural whites fare better, but over 40 percent live in substandard housing, compared to 15 percent for whites in urban areas.

Education figures reflect the same story. Rural nonwhites average 5.7 years of schooling matched with 8.7 years for urban nonwhites.

Whites in rural areas complete 8.9 years of school compared to 11.5 years for whites in cities. The differentials are compelling: urban whites enjoy twice the years of education as rural Negroes, and with all our shortcomings in New York City, Negro New Yorkers still fare a lot better than their rural counterparts.

Statistics indicate that rural people suffer more sickness than urban dwellers, but they have only half the number of doctors per thousand population and one-third the number of dentists.

Nearly 4½ million people have left farms since 1960, and the percentage of farmworkers who migrate each year remains steady. The pace of mechanization in agriculture has made most farmworkers obsolete. Unskilled workers cannot even run the machines that displace them. Small farmers who cannot afford complex machinery are unable to compete with the giant agricultural corporations. Per capita income on farms is $1,700 compared to a national $2,610. There's little opportunity for work in nearby towns, so the jobless head for the cities to the desolate ghettos of the poor. And the rural crisis becomes an urban problem.

The overcrowded slums threaten to burst with the new migration, higher taxes are required to support still inadequate social services, and the crush of new unskilled workers dims the hopes of old migrants seeking to break out of the ghetto.

Nevertheless, some 100,000 families a year pack up their belongings and head for the cities, an average of 800,000 people a year from 1960 to 1965. They arrive in droves—jobless, unskilled—descending on cities snowed under by crises of providing jobs, housing, and education for their residents.

Still, while we seek to develop programs to deal with the rural migrants who swell our cities, ironically, we ignore the causes that force them to flee the nation's rural areas. Farm country becomes depopulated, cities heave with overcrowding, and nothing is done to create jobs and provide services for rural people where they live. Rural development is a vital element in the solution of urban problems.

Yet, what has been done to deal with rural poverty? The Department of Agriculture has appeared to be more concerned with maintaining the incomes of commercial farmers than with aiding the small producers hovering at the edge of bankruptcy. The Department's Rural Community Development Service operates with only $600,000 out of a USDA budget of $6 billion—1/100 of 1 percent devoted directly to the problems of the poor.

Other Federal agencies do little better. Despite an unemployment rate that is 20 percent greater among rural nonfarmworkers than among urban workers, only 3.4 percent of MDTA money in 1964 went to communities of under 10,000. And last year, OEO allocated 1/7 of CAP funds to rural regions, though nearly half the nation's poverty is concentrated there.

The need is for programs which will increase the opportunity for decent jobs and social services in rural America and at the same time adequately prepare those who choose to leave for the city. It means more OEO and MDTA money for rural areas.

It also means a reevaluation of programs run by the Department of Agriculture and other traditional agencies, and a redirection of their resources to meet the needs of the rural poor.

It means an end to the 20-percent non-Federal contribution required by OEO in counties with per capita incomes of under $1,000.

It means the establishment of minimum Federal standards of public assistance in rural areas where inadequate services and assistance is a main factor in driving people into the cities.

It means Federal control of the free commodities program to prevent local veto power from depriving the poor of needed food.

It means the option of retirement for farm people over 50 who can't support themselves.

It means a vast improvement of housing in rural areas.

And it means more incentives to small business and industry to locate in rural areas, with job training and adult education to make the rural poor eligible for new jobs.

Many of these recommendations were adopted recently by the National Association for Community Development of which I am vice president, and we heartily endorse them.

Although it is difficult to determine what percentage of the migrant population is white and what part is nonwhite, between 1950 and 1960 the number of rural whites increased by 117,000 while the number of rural Negroes decreased by 542,000. Allowing for increases in the population due to births, this indicates a much heavier percentage of migration among Negroes than among whites.

Thus, tragically, much of the migrant population shoulders that added burden of racial discrimination. Negro and Puerto Rican unemployment in New York is 9.4 percent compared with 6 percent for whites. And the rural migrant's lack of sophistication makes him even more susceptible to unfair practices than Negroes and Puerto Ricans with urban experience.

The recognition of the enormity of the problem caused New York City to reorganize its whole approach to training and social services. The Human Resources Administration was created to deal logically with the complex of problems that afflict the poor, using a new approach to problems in which social services support opportunity-oriented efforts in education and training which enable people to lead dignified lives and find decent employment.

We know that the problems of unemployment and social dislocation cannot be isolated from each other. Neither can we separate the needs of rural America from the ability of our cities to cope with the victims of that upheaval. We need increased resources for cities to be able to deal with the refugees of the new agricultural revolution.

There must be new programs which recognize the special problems faced by rural migrants. Cities ought to receive special funds to develop training programs that, ideally, continue the assistance which should be offered in rural areas. Realistically, they must be given the resources to aid thousands of migrants who arrive totally unprepared for urban life.

The Government also must recognize the regional nature of problems posed by seasonal migrants who regularly return to the cities when farmwork is unavailable. The farm laborer who drifts back to New York when the fields are bare has a problem which ignores administrative divisions. We need an overall programmatic approach to urban and rural problems which recognizes how inextricably they are tied to each other.

Finally, when local governments show their capability to use funds effectively, Washington should respond by lodging greater responsibility in local administrations. It should pass legislation to give cities and communities more flexibility to use Federal funds. This would be a practical expression of confidence in the concept of creative federalism. It would also help to stimulate the local initiative in programs and self-help that everyone agrees is needed but which is inhibited by excess rigidity in existing regulations.

In the past few years, we have witnessed a heightened national understanding of the human problems which afflict our nation, and we have made significant progress in developing programs to solve them. Yet, this nation must be willing to commit the money and muscle required to effect these programs, or we will have failed one of the major challenges of our history.

STATEMENT SUBMITTED BY WORCESTER COUNTY (MD.) COMMUNITY ACTION COMMITTEE

[By Mr. Kinard, regional program analyst, OEO]

COOPERATION BETWEEN COMMUNITY ACTION AND COUNTY AGENCIES

One of the major problems confronting the Worcester County Community Action Committee is a lack of cooperation from the local public agencies. Typifying this lack of cooperation would be the relationship which exists between the board of education and the community action committee. The board of education had written a letter stating that they declined to act as delegate agency for Project Headstart, unless they had 100 percent control of the entire program. This response was in answer to a letter from the community action committee requesting help in coordinating projected and ongoing programs. The text of the letter from the community action committee to the superintendent of schools of Worcester County was as follows:

> The Community Action Committee has been advised by the Headstart personnel in Washington that if we submit an application by the 15th of December, our request will be considered. The reason no funds have been allocated to Worcester County for Project Headstart for the summer of '67 is that Worcester County is the only county in Maryland that has never had a Headstart program. There is a chance that Headstart funds, which had been allocated but not used by other counties, will be made available to Worcester County. By consolidating Project Headstart with summer kindergarten the most mileage could be gotten for each dollar spent on both projects.
>
> Project Headstart is funded by the Office of Economic Opportunity through the local community action committee. Summer kindergarten is funded by the Elementary and Secondary Education Act through the State board of education. To run a Headstart program outside of the public school system would require duplicate expenditures for rental of buildings and equipment, purchase of educational materials, administrative and supervisory salaries, food services, and buses. We understand that the amount of Elementary and Secondary Act funds available for summer school this year will be less than last year. These funds will be insufficient to meet the needs of approximately 260 preschool resident and migrant children.

> It would be more economical to have both programs combined and delegated by the board of education.
>
> The community action committee has staff available to develop a policy advisory board committee, to solicit volunteer workers, and to recommend in-class aids selected from parents and residents of the areas to be served. The formation of the policy advisory board and volunteer workers committee is necessary to meet the requirements of Project Headstart.
>
> The incorporation of adult education into these projects could lead to a complete educational program which would include both the disadvantaged parents and children. By using members of the policy advisory committee and volunteer workers committee to do much of the legwork, participation in adult education could be increased both in and out of school. The advisory committee would continue to function and would encourage active participation in adult education after the summer programs were completed. This would result in closer coordination of activities between the community action committee and the board of education.

The text of the letter from the board of education to the chairman of the community action committee is as follows:

> In reply to your letter of November 23, 1966, the Worcester County Board of Education would be willing to operate the Project Headstart during the summer of 1967 only if we have 100 percent control over all phases of its operation.
>
> Your assistance in cooperating between our department and the *Office of Economic Opportunity will be greatly appreciated.*

The executive board of the community action committe wanted to clarify what the board of education meant by 100 percent control of the project. On January 10, 1967, Mr. MacDonald, area coordinator for Mid-Atlantic Office of Economic Opportunity, and Mr. Kinard, regional program analyst for OEO, together with Mr. Beach, chairman of the Worcester County Community Action Committee, met with the Worcester County Board of Education.

I understand an attempt was made to find out exactly what the board of education meant by 100 percent control and, if possible, to negotiate the points of contention to the mutual satisfaction of all concerned. I was told later that the board of education wanted the Office of Economic Opportunity to grant funds to them to administer Project Headstart, so that they could run the program without active public participation on the policy-making as established by Congress for this program. Those attending the meeting reported that the board of education felt that these parents would dictate to the board of education, and as professionals this would weaken their professional standards; thus weakening the entire educational system.

Under Title I of the Elementary and Secondary Education Act the county school board with the approval of the State Department of Education initiates and carries out educational programs. The Elementary and Secondary Education Act requires that the community action committee be consulted during the planning phases of any proposed project. Also, the act requires that the proposed project be effectively coordinated with the administration and operation of the community action agency's programs. There is a form which the principal officer of the community action agency must sign stating whether or not this was in fact true. The board of education requested that such a form be signed for a "Reading and Language Improvement Program." The county board of education had made no effort to contact the community action committee or obtain their cooperation during the planning stages of the program. The executive board of the community action committee had no opportunity to review the proposed program with the county board of education. As a result, the executive committee disapproved the proposed program.

In my opinion, the crux of the problem is an apparent breakdown in communication between the board of education and the executive board of the community action committee. A solution would be to seat at least one member of the board of education on the executive board of the community action committee. To date all attempts to do so have been singularly unsuccessful. The director of the community action committee said that he has extended written and personal invitations to the superintendent of schools and his assistant to attend both the executive and general meetings of the committee to no avail. Notices of the general meetings are sent to all the school board members. The notices urge them to attend all general meetings. None of the school board members have attended our general committee meetings. I feel that a new approach to the problem is needed. My recommendations for a solution to the problem of establishing effective communications with the board of education are as follows:

(1) Send a delegation to see the school board and request that they appoint a member to sit on the executive board of the committee.

(2) Obtain a recommendation from the State board of education that the local board of education appoint a member to the executive committee of the community action committee.

(3) Send a delegation to see the county commissioners with a petition from at least 50 signers to solicit their aid in having a member of the school board seated on the executive board of the community action committee.

(4) Send a delegation to see the Governor with a petition signed by at least 100 Worcester County residents requesting that a member of the community action committee be seated on the school board.

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